

Registration number: 09115941

# The Shropshire Gateway Educational Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2024

Beever and Struthers  
The Beehive  
Lions Drive  
Shadsworth Business Park  
Blackburn  
Lancashire  
BB1 2QS

# The Shropshire Gateway Educational Trust

## Contents

Reference and administrative details	1 to 2
Directors' report	3 to 12
Governance statement	13 to 17
Statement of regularity, propriety and compliance	18
Statement of Directors' Responsibilities	19
Independent Auditor's Report on the Financial Statements to the Members of The Shropshire Gateway Educational Trust	20 to 23
Independent Reporting Accountant's Assurance Report on Regularity to The Shropshire Gateway Educational Trust and the Education and Skills Funding Agency	24 to 25
Statement of Financial Activities for the year ended 31 August 2024 (including Income and Expenditure Account)	26
Balance Sheet as at 31 August 2024	27
Statement of Cash Flows for the year ended 31 August 2024	28
Notes to the Financial Statements	29 to 54

# The Shropshire Gateway Educational Trust

## Reference and administrative details

<b>Members</b>	N Gibbon D Hill Reverend M Daborn (resigned 31 October 2023) L Castledine Diocese of Hereford Educational Trust (DHET)
<b>Trustees (Directors)</b>	L Castledine (Chair) J Parker (Vice Chair) K Jones - Chief Executive Officer and Accounting Officer M Bland (resigned 8 May 2024) G Gosling E McDonald M Yarranton C Tibbits M Beale (appointed 15 July 2024) K Abel (appointed 19 April 2024)
<b>Company Secretary</b>	G Bradley
<b>Senior Management Team</b>	K Jones, Chief Executive Officer N Turner (resigned 30 April 2024), Headteacher R Croxton Broome, Deputy Headteacher, Appointed Head of School 1 May 2024 C Little, Headteacher S Desborough, Headteacher C McKay, Deputy Headteacher D Richardson, Deputy Headteacher M Dawes (resigned 7 April 2024), Deputy Headteacher G Bradley, Trust Head of Finance, Business and Operations
<b>Principal and Registered Office</b>	C/o Lacon Childe School Love Lane Cleobury Mortimer Shropshire DY14 8PE
<b>Company Registration Number</b>	09115941

# **The Shropshire Gateway Educational Trust**

## **Reference and administrative details (continued)**

<b>Auditors</b>	Beever and Struthers The Beehive Lions Drive Shadsworth Business Park Blackburn Lancashire BB1 2QS 30 September 2024
<b>Bankers</b>	Lloyds Bank Business Centre Wolverhampton West Midlands WV9 5HA
<b>Solicitors</b>	Browne Jacobson 15th Floor 103 Colmore Row Birmingham B3 3AG



# **The Shropshire Gateway Educational Trust**

## **Directors' report for the Year Ended 31 August 2024**

The Directors present their annual report together with the financial statements and auditors' report of the charitable company for the year 1st September 2023 to 31st August 2024. The annual report serves the purposes of both a Trustees' report, and a Directors' report and strategic report under company law.

The Multi Academy Trust operates under the name The Shropshire Gateway Educational Trust.

The academy trust operates 3 primary/ 1 secondary/2 resourced SEND provisions in South Shropshire. Its academies have a combined pupil capacity of 1,046 and had a roll of 1,093 in the school census in January 2024.

### **Structure, governance and management**

#### ***Constitution***

The academy trust is a company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The company registration number is 09115941.

The Trustees of The Shropshire Gateway Educational Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as The Shropshire Gateway Educational Trust "SGET".

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

#### ***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.

#### ***Method of recruitment and appointment or election of Directors***

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

#### ***Policies and procedures adopted for the induction and training of Directors***

The Chief Executive Officer and Chair are responsible for all training. There is an internal induction program and an external NGA (National Governance Association) induction and training plan in place for all new directors, and ongoing for the board. Training will be offered on charity, educational, legal, risk management and financial matters. All directors have access to policy and consultation documents through a shared designated share point site. In addition they are regularly involved in meetings to scrutinise accounts, reports, budgets and plans to enable them to carry out their roles and responsibilities effectively, challenging as appropriate.

## **The Shropshire Gateway Educational Trust**

### **Directors' report for the Year Ended 31 August 2024 (continued)**

#### ***Organisational structure***

The Scheme of Delegation is a key governance document which sets out how accountability and decision-making works within our Trust.

SGET is governed by a Board of Directors, who are accountable to the Department for Education, and have overall responsibility for the Trust. The Trust is a charitable company limited by guarantee and is required by law to operate to all statutory regulations and rules within its Articles of Association which are registered at Companies House. The Scheme Of Delegation, Governance and Leadership structures, and vision and values assist with the discharge of the Board of Directors responsibilities.

The Board of Directors have established Local Governing Bodies (LGBs) for each of the Academies. The LGBs shall be a committee established pursuant to Articles 100 to 104 (inclusive) of the Articles of Association of the Trust. All directors are involved in decision making. The governing boards and sub committees meet regularly. Directors are responsible for setting general policy, risk management strategy, plans, budgets as well as monitoring the Trust against aims and objectives. Full detail of the scheme of delegation is available on our website [www.sget.org.uk](http://www.sget.org.uk)

#### ***Arrangements for setting pay and remuneration of key management personnel***

The Board of Directors sets the pay for the Chief Executive Officer based on teachers' pay and conditions, school specific responsibilities and market conditions. The Chief Executive Officer alongside consultation with board members then sets pay structures for Headteachers and key central staff following the appropriate guidelines of the Teachers pay and conditions document or NJC (National Joint Council) pay scales alongside using robust job descriptions and appraisals set against performance objectives, expectations and standards.

**The Shropshire Gateway Educational Trust**

**Directors' report for the Year Ended 31 August 2024 (continued)**

*Trade union facility time*

**Relevant union officials**

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
2	-

**Percentage of time spent on facility time**

Percentage of time

1%-50%

**Number of employees**

2

**Percentage of pay bill spent on facility time**

Provide the total cost of facility time

Provide the total pay bill

Provide the percentage of the total pay bill spent on facility time, calculated as: ( total cost of facility time ÷ total pay bill ) x 100

**2024**

-

6,456,834

-

**Paid trade union activities**

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: ( total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours ) x 100

**2024**

-

***Related parties and other connected charities and organisations***

There are no related parties.

## **The Shropshire Gateway Educational Trust**

### **Directors' report for the Year Ended 31 August 2024 (continued)**

#### **Objectives and activities**

##### ***Objects and aims***

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

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

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

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

##### ***Objectives, strategies and activities***

Through outstanding leadership the trust will provide the highest quality education to enable every pupil to realise their full potential. In 23/24 it has focused on embedding good practice reinforced by working with external partners to increase capacity for improvement.

It will provide for every pupil to have the values, skills, qualities and aptitudes that will allow them to thrive in society.

As a result of our reputations for excellence, for each school will be the school of choice for pupils; the employer of choice for professionals.

##### ***Public benefit***

The academy trust provides educational services to all children in the local area. The Directors confirm that they have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to the public benefit guidance provided by the Charity Commission.

In setting objectives and planning our activities the Directors have carefully considered the Charity Commission's general guidance on public benefit.

#### **Strategic Report**

##### **Achievements and performance**

The Chief Executive Officer reports to the Directors half termly using the Trust Strategic Development plan. The review of activities section of this report summarises the Trust's strengths and areas of development.

## The Shropshire Gateway Educational Trust

### Directors' report for the Year Ended 31 August 2024 (continued)

#### Trust Strategic Development Plan

The Chief Executive Officer reports to Directors termly using the Trust Strategic Development Plan. The following summarises the Trust strengths and areas of development:

Strengths - Achievements	Priorities for further improvement
<ul style="list-style-type: none"> <li>• The MAT has a good understanding of the needs of pupils in its schools and the strengths/areas of development of its schools</li> <li>• Relevant Trust improvement priorities (TIP)</li> <li>• A strength in primary and early years provision</li> <li>• A differentiated approach to school improvement across the MAT</li> <li>• Outward looking to external practice and partners</li> <li>• Identification and use of external partners to support areas of development</li> <li>• A developing understanding of the strengths and weaknesses of the education landscape</li> <li>• Approach to teaching and learning in most individual schools</li> <li>• Approach to curriculum in most individual schools</li> <li>• Approach to assessment in most individual schools</li> <li>• MAT leaders understanding of schools through visits, stakeholder feedback, external review</li> <li>• Governance structures and reviewed SOD</li> <li>• Honest and informed Trust evaluation</li> </ul>	<ul style="list-style-type: none"> <li>• Our secondary provision improves and demonstrates this at its next inspection (at least good)</li> <li>• Continued raising of outcomes for disadvantaged pupils.</li> <li>• A clear, communicated and owned vision of what excellent education looks like in practice                         <ul style="list-style-type: none"> <li>- Approach to teaching and learning as a MAT</li> <li>- Approach to assessment as a MAT</li> <li>- Peer review across the MAT</li> </ul> </li> <li>• Continue to consider the future journey of our Trust to support capacity for school improvement and to provide peer collaborative partners for our secondary school.                         <ul style="list-style-type: none"> <li>- Capacity to drive the clear, communicated vision</li> <li>- Creation of distinctive roles to develop and drive school improvement</li> <li>- Workforce development across the MAT</li> </ul> </li> </ul>

#### Achievements and Performance Secondary: Lacon Childe School 2024 (provisional)

KS4 Measure	LCS	(2023 outcome)	National 2023
% 5+ English and Maths	43.7%	(35.1%) ↑	45%
% 4+ English and Maths	63.1%	(68.5%) ↓	65%
Attainment 8	45.05	(45.91) ↓	46.28
Progress 8	-0.27	(-0.11) ↓	-0.03

## The Shropshire Gateway Educational Trust

### Directors' report for the Year Ended 31 August 2024 (continued)

#### Performance: Primary Outcomes 2024: unvalidated data

(Trust Average 55 pupils)	Cleobury Mortimer Primary School (CMPS) (%) (29 Pupils)	Clee Hill Community Academy (CHCA) (%) (16 Pupils)	Stottesdon CofE Primary (SPS) (%) (10 Pupils)	National 2023 (%)
GLD Early Years (69.1% - 2023 was 72.6)	69 (76.9 without SEND Hub pupils)	75	60	67

(Trust Average 71 pupils)	CMPS (%) (32 pupils)	CHCA (%) (17 pupils)	SPS (%) (14 pupils)	National 2023 (%)
Phonics Year 1 63 pupils (82.5 – 2023 was 87.2)	69 (76% without 3 SEND Hub pupils) (Without 2 additional mid-year transfer pupils, pass rate is 82%)	94	100	79
Phonics Year 2 (cumulative)	83% (5/6 pupils) (75% with Hub 6/8 pupils)	100	94	89

(Trust Average 61 pupils)	CMPS (32 Pupils)	CHCA (14 Pupils)	SPS (16 Pupils)	National 2023
MTC average score out of 25 (22.6 – 2023 was 18.9)	23.4 (one pupil in Hub was disapplied)	24.36	19.14	20.2
% of students who scored 25 (50% - 2023 was 31%)	59.4%	71.4%	12.5%	29%

## The Shropshire Gateway Educational Trust

### Directors' report for the Year Ended 31 August 2024 (continued)

KS2 outcomes (Trust Average 73 pupils)	CMPS (%) (31 Pupils)		CHCA (%) (26 Pupils)		SPS (%) (16 Pupils)		National 2024 (%)		School Average SS 2024			National Average SS 2024 (Trust Average)
	EXS	GDS	EXS	GDS	EXS	GDS	EXS	GDS 2023	CMPS	CHCA	SPS	
RWM (63 - 2023 was 66.7)	65	19.4	42	3.8	94	12.5	61	8	NA	NA	NA	NA
Reading (76.7 – 2023 was 73.6)	81	26	62	19	94	31	74	29	105.23	103.36	108.25	105 (105.25)
Writing (82.2 – 2023 was 83.3)	81	32	73	7	100	25	72	13	NA	NA	NA	NA
Maths (72.6 – 2023 was 72.2)	71	20	62	15	94	19	73	24	104.37	101.56	105.31	104 (103.59)
GPS (76.7 – 2023 was 70.8)	71	36	73	27	94	25	72	30	105.3	105	105.56	105 (105.25)

NB In 2024 there is no KS2 progress measure as no Y2 data (Covid).

#### ***Going concern***

After making appropriate enquiries, the governing body 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.

## **The Shropshire Gateway Educational Trust**

### **Directors' report for the Year Ended 31 August 2024 (continued)**

#### **Financial review**

The net movement in funds of the Trust in the year, before pension actuarial gains/losses for the year to 31 August 2024, was a deficit of £181,871 (2023: deficit of £909,657).

The prime source of income for the Trust is through ESFA and other grant funding. It also generates some funding to support the operating needs of the Trust in delivering education.

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

Fundraising activities include annual school fetes, productions and external grant funding. It actively engages with external community groups working to recognized standards to raise funds for specific projects or individual needs. Fundraising operates in a way that protects the public from unreasonable, intrusive or persistent fundraising approaches.

During the financial year changes in leadership and focused priorities as identified in the Trust Improvement Plan have had an impact on the financial performance and financial position of the academy trust. Funds at school level and held centrally in reserve have been utilised to seek external support and scrutiny with a purpose of improving outcomes in these areas.

The trust seeks to replenish these reserves by an annual percentage of base budget contribution to the reserves fund by each school.

The trust recognises there have also been key factors which have and may put the trust's financial and operating performance at risk as being: pupil admissions, staffing pay awards, inflation percentages and cashflow. It manages these risks and others by identifying them within risk register and defining how these risks will be managed and reduced.

#### ***Reserves policy***

Total reserves for the trust have decreased by £27,871 (2023: decreased by £54,657) during the period. The reserves position at the end of the accounting period shows that the trust holds the following reserves:

Fixed Asset Fund reserves £18,755,813 (2023: £18,916,030)

Pension reserve £947,000 deficit (2023: £1,156,000 deficit) A surplus or deficit position of the pension scheme would generally result in a cash flow effect for the academy trust in the form of an increase or decrease in employers' pension.

Restricted Income Fund reserves £77,820 (2023: £154,474)

Unrestricted Fund reserves £11,000 (2023: £11,000)

The trust seeks as a planned objective to increase the level of reserves held by the trust. Each school contributes annually to this reserves fund.

Directors hold a reserves policy identifying reserves to be held at a level appropriate to the operating needs of the school and for any specific projects.



## **The Shropshire Gateway Educational Trust**

### **Directors' report for the Year Ended 31 August 2024 (continued)**

#### ***Investment policy***

The trust has a reserves policy which identifies how reserves are used and invested however whilst cashflow is a risk does not seek to make investments outside of the school's main bank account.

#### ***Principal risks and uncertainties***

Directors work with senior professionals to review on a regular basis the risks and uncertainties identified for each school and the trust as a whole, it then focuses on reducing these risks to acceptable levels and to focus its efforts to monitor these. The Risk register is shared amongst all senior leaders and the Board on a regular basis and is constantly changing to reflect changes in circumstances and risk.

Risks can include:

- Quality teaching and learning and outcomes for pupils
- Capacity to improve
- Reputation events
- Funding and management of changes in educational funding
- SEND Hubs
- Governance
- Health & Safety

During the year 2023- 24 Directors were satisfied that they had been alerted to major risks encountered by the Trust and that systems were in place to scrutinize mitigation actions.

#### **Fundraising**

The Trust carries out a limited amount of fundraising at local school level by school staff and parents under parent teacher groups and operates being mindful of the cost of living crisis faced by those within its communities. The same rigid regulations and processes are applied to fundraising activities as grant funding and the trust is mindful of adherence to the provisions of the Charities Act 2011. Fundraising is transparent, honest and respectful to ensure no one, including those most vulnerable in our communities are put under any pressure. If we were to receive any complaints regarding our conduct these would be dealt with under the Trust complaints procedure.

#### ***Plans for future periods***

The individual schools within the trust have written and constantly monitor and update a school improvement plan which sets out their priorities and targets for the following years. The trust has an overarching trust improvement plan. These seek to focus activities towards shared goals and aspirations of the individual school and trust and using funds available to achieve these priorities and targets. The schools and trust reflect on past activities and the changing educational environment when reviewing these plans.

**The Shropshire Gateway Educational Trust**

**Directors' report for the Year Ended 31 August 2024 (continued)**

**Auditor**

Insofar as the Directors are aware:

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

The directors' report, incorporating a Strategic Report, was approved by order of the members of the governing body on ~~17.12.24~~ and signed on its behalf by:



.....  
L Castledine (Chair)  
Trustee

# The Shropshire Gateway Educational Trust

## Governance statement

### Scope of responsibility

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

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

The board of Directors has delegated the day-to-day responsibility to the Trust 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 Shropshire Gateway Educational Trust and the Secretary of State for Education. They are also responsible for reporting to the board of directors any material weaknesses or breakdowns in internal control.

### Governance

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

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
L Castledine	7	7
J Parker (Vice Chair)	3	7
K Jones - Chief Executive Officer and Accounting Officer	7	7
M Bland (resigned 8 May 2024)	4	4
G Gosling	6	7
E McDonald	7	7
M Yarranton	6	7
C Tibbits	7	7
K Abel (appointed 19 April 2024)	3	3
M Beale (appointed 15 July 2024)	1	1

### Governance reviews

An external review of governance was completed during the year by an experience external NGA professional. Her focus was at Board and local governing board level and her recommendations are being implemented.

## The Shropshire Gateway Educational Trust

### Governance statement (continued)

The Finance and General Purposes Committee is a sub-committee of the main governing body. Its purpose is to oversee and challenge financial information presented in a transparent manner to ensure good value and effective use of trust resources to fit its policy purposes. Attendance at meetings during the year was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
L Castledine (Chair)	7	7
J Parker (Vice Chair)	3	7
K Jones - Chief Executive Officer and Accounting Officer	7	7
M Bland (resigned 8 May 2024)	4	4
G Gosling	6	7
E McDonald	7	7
M Yarranton	6	7
C Tibbits	7	7
K Abel (appointed 19 April 2024)	3	3
M Beale (appointed 15 July 2024)	1	1

The Audit and Risk Committee is a sub-committee of the main governing body. Its purpose is to oversee and challenge financial information presented in a transparent manner to ensure good value and effective use of trust resources to fit its policy purposes. Attendance at meetings during the year was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
L Castledine (Chair)	7	7
J Parker (Vice Chair)	3	7
K Jones - Chief Executive Officer and Accounting Officer	7	7
M Bland (resigned 8 May 2024)	4	4
G Gosling	6	7
E McDonald	7	7
M Yarranton	6	7
C Tibbits	7	7
K Abel (appointed 19 April 2024)	3	3
M Beale (appointed 15 July 2024)	1	1

#### Conflicts of interest

The trust has processes in place to manage conflicts of interest, it maintains an up-to-date and complete register of interests, and at each meeting a standing agenda items at the beginning of each meeting is used in the day-to-day management and governance of the academy trust and to allow further or changes to be declared where relevant.

# **The Shropshire Gateway Educational Trust**

## **Governance statement (continued)**

### **Meetings**

The Board meet as a minimum of 6 times per year and in addition adds further meetings if appropriate and to discharge their responsibilities and ensure robust governance is evidenced.

The Board has a Finance Committee, an Audit and risk committee and a full board and standards committee.

Its local governing boards also have a similar structure.

A governance professional minutes all meetings and is trained via NGA.

### **Review of value for money**

As accounting officer, the trustee has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes, as well as estates safety and management, achieved in return for the taxpayer resources received.

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

- Undertaking a planned program of internal scrutiny and acting on improvements and recommendations.
- Maintaining and regularly reviewing the Trust Risk register.
- Producing managements accounts and budget setting planning which are transparent and open to ongoing review.

### **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 ongoing 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 Shropshire Gateway Educational Trust for the year ended 31 August 2024 and up to the date of approval of the annual report and financial statements.

### **Capacity to Handle Risk**

The board of Directors has reviewed the key risks to which the academy trust is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Directors is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ended 31 August 2024 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Directors.

### **The Risk and Control Framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Directors
- regular reviews by the Finance and General Purposes Committee of reports, which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- identification and management of risks.

## **The Shropshire Gateway Educational Trust**

### **Governance statement (continued)**

The board of Directors has decided:

- to employ Telford and Wrekin as internal auditor.
- to buy-in an internal scrutiny service from RPA, Shropshire Council SeaView Trust.

These options have been chosen to give Directors independent and specific expertise scrutiny to ensure that the scope of the risk and control framework covers all aspects of the trust's operations. All areas are covered under a 3 year rolling plan.

The board of directors benefits from the skills and knowledge of a wide field of professionals and assesses its composition through skills audits and recruitment onto the board dictated by these needs.

Performance is assessed through internal scrutiny processes and during the year it has met in person and has relied on information of a high standard to inform them and ensure they challenge accordingly in the following areas:

- Efficiency, funding and budgets
- Business continuity and disaster recovery processes
- Fraud, theft and bribery
- Data and IT
- Safeguarding
- SEND

On a routine basis, the reviewer reports to the board of Directors, through the audit and risk committee on the operation of the systems of control and on the discharge of the board of Directors' financial responsibilities. On an annual basis the reviewer prepares a summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

There were no material control or other issues reported by the Responsible Officer to date.

#### **Review of Effectiveness**

As accounting officer, the trustee has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor/external expertise auditors ;
- the financial management and governance self-assessment process or the school resource management self-assessment tool;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.
- the work of the external auditor;
- correspondence from ESFA

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

**The Shropshire Gateway Educational Trust**

**Governance statement (continued)**

**Conclusion**

Based on the advice of the audit and risk committee and the accounting officer, the governing body is of the opinion that the Academy has adequate and effective framework for governance, risk management and control.

The reason for this conclusion is that robust internal scrutiny and audit of its processes is shared with transparency, and that there is a clear and specific Trust improvement plan in place which is reported on to the board at every meeting.

Approved by order of the members of the governing body on 17.12.24 and signed on its behalf by:



.....  
L Castledine (Chair)  
Trustee



.....  
K Jones - Chief Executive Officer and Accounting Officer  
Trustee

**The Shropshire Gateway Educational Trust**

**Statement of regularity, propriety and compliance**

As accounting officer of The Shropshire Gateway Educational Trust I have considered my responsibility to notify the academy trust governing body and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2023, including responsibilities for estates safety and management.

I confirm that I and the academy trust governing body are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academy Trust Handbook 2023.

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



.....  
K Jones - Chief Executive Officer and Accounting Officer, Trustee  
Accounting officer

Date:..17.12.24.....



# The Shropshire Gateway Educational Trust

## Statement of Directors' Responsibilities

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

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2023 to 2024;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the members of the Board on ~~17.02.24~~ and signed on its behalf by:

17.12.24

*L. A. Castledine*

.....  
L Castledine (Chair)  
Trustee

## **The Shropshire Gateway Educational Trust**

### **Independent Auditor's Report on the Financial Statements to the Members of The Shropshire Gateway Educational Trust**

#### **Opinion**

We have audited the financial statements of The Shropshire Gateway Educational Trust "the academy trust" for the year ended 31 August 2024, which comprise the Statement of Financial Activities for the year ended 31 August 2024 (including Income and Expenditure Account), Balance Sheet as at 31 August 2024, Statement of Cash Flows for the year ended 31 August 2024, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2023 to 2024 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2024 and of its incoming resources and application of resources, including income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2023 to 2024 issued by the Education and Skills Funding Agency.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

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

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

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

#### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Directors (who are also the directors of the academy trust for the purposes of company law) are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

## **The Shropshire Gateway Educational Trust**

### **Independent Auditor's Report on the Financial Statements to the Members of The Shropshire Gateway Educational Trust (continued)**

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements 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 Directors' report which includes the Strategic Report and the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and directors' report included within the Directors Report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or directors' report included within the Directors' Report.

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

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

#### **Responsibilities of Directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 19, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## **The Shropshire Gateway Educational Trust**

### **Independent Auditor's Report on the Financial Statements to the Members of The Shropshire Gateway Educational Trust (continued)**

#### **Auditor Responsibilities for the audit of the financial statements**

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

#### **The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:**

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- we identified the laws and regulations applicable to the academy trust through discussion with Directors and other management, and from our knowledge and experience of the academy sector.
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the academy trust, including the Companies Act 2006, the Charities Act 2011, and the Academies Accounts Direction 2023 to 2024 and Academy Trust Handbook 2023, both issued by the Education and Skills Funding Agency.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence.
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the academy trust's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud.
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures on material balances for which robust, substantive analytical procedures have been undertaken to identify any unusual or unexpected relationships.
- tested journal entries to identify unusual transactions.
- investigated the rationale behind significant or unusual transactions.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

## **The Shropshire Gateway Educational Trust**

### **Independent Auditor's Report on the Financial Statements to the Members of The Shropshire Gateway Educational Trust (continued)**

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Use of our report**

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



.....  
Mark Bradley BA FCA (Senior Statutory Auditor)  
For and on behalf of Beever and Struthers, Statutory Auditor

The Beehive  
Lions Drive  
Shadsworth Business Park  
Blackburn  
Lancashire  
BB1 2QS

Date: 18 December 2024

## **The Shropshire Gateway Educational Trust**

### **Independent Reporting Accountant's Assurance Report on Regularity to The Shropshire Gateway Educational Trust and the Education and Skills Funding Agency**

In accordance with the terms of our engagement letter dated 30 September 2024 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2023 to 2024, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Shropshire Gateway Educational Trust during the period 1 September 2023 to 31 August 2024 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

#### **Respective responsibilities of the governing body' accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of the governing body' funding agreement with the Secretary of State for Education dated 1 June 2014 and the Academy Trust Handbook, extant from 1 September 2023, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2023 to 2024. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2023 to 31 August 2024 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

#### **Approach**

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Review and testing of financial systems of internal control
- Sample testing of transactions
- Discussions with management
- Reference to the Academies Accounts Direction 2023/24, Annex B: Regularity Reporting section 4

**The Shropshire Gateway Educational Trust**

**Independent Reporting Accountant's Assurance Report on Regularity to The Shropshire Gateway Educational Trust and the Education and Skills Funding Agency (continued)**

**Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 2023 to 31 August 2024 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



.....  
Mark Bradley BA FCA  
For and on behalf of Beaver and Struthers, Chartered Accountants

The Beehive  
Lions Drive  
Shadsworth Business Park  
Blackburn  
Lancashire  
BB1 2QS

Date: 18 December 2024

## The Shropshire Gateway Educational Trust

### Statement of Financial Activities for the Year Ended 31 August 2024 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2023/24 Total £	2022/23 Total £
<b>Income and endowments from:</b>						
Donations and capital grants	2	-	20,156	16,335	36,491	65,019
Other trading activities	4	-	632,679	-	632,679	680,149
<i>Charitable activities:</i>						
Funding for the Academy trust's educational operations	3	-	7,571,739	-	7,571,739	6,978,142
Total		-	8,224,574	16,335	8,240,909	7,723,310
<b>Expenditure on:</b>						
<i>Charitable activities:</i>						
Academy trust educational operations	6	-	8,209,260	213,520	8,422,780	8,632,967
Net income/(expenditure)		-	15,314	(197,185)	(181,871)	(909,657)
Transfers between funds		-	(36,968)	36,968	-	-
<b>Other recognised gains and losses</b>						
Actuarial gains on defined benefit pension schemes	26	-	154,000	-	154,000	855,000
Net movement in funds/(deficit)		-	132,346	(160,217)	(27,871)	(54,657)
<b>Reconciliation of funds</b>						
Total funds/(deficit) brought forward at 1 September 2023		11,000	(1,001,526)	18,916,030	17,925,504	17,980,161
Total funds/(deficit) carried forward at 31 August 2024		11,000	(869,180)	18,755,813	17,897,633	17,925,504



**The Shropshire Gateway Educational Trust**

**(Registration number: 09115941)  
Balance Sheet as at 31 August 2024**

	Note	2024 £	2023 £
<b>Fixed assets</b>			
Tangible assets	11	18,797,773	18,923,002
<b>Current assets</b>			
Stocks	12	2,500	2,500
Debtors	13	350,701	363,549
Cash at bank and in hand		<u>248,522</u>	<u>453,551</u>
		601,723	819,600
<b>Liabilities</b>			
Creditors: Amounts falling due within one year		<u>(351,811)</u>	<u>(437,967)</u>
Net current assets		<u>249,912</u>	<u>381,633</u>
Total assets less current liabilities		19,047,685	19,304,635
Creditors: Amounts falling due after more than one year	15	<u>(203,052)</u>	<u>(223,131)</u>
Net assets excluding pension liability		18,844,633	19,081,504
Defined benefit pension scheme liability	26	<u>(947,000)</u>	<u>(1,156,000)</u>
<b>Total net assets</b>		<u><b>17,897,633</b></u>	<u><b>17,925,504</b></u>
<b>Funds of the Academy:</b>			
<b>Restricted funds</b>			
Restricted general fund	16	77,820	154,474
Restricted fixed asset fund	16	18,755,813	18,916,030
Pension reserve	16	<u>(947,000)</u>	<u>(1,156,000)</u>
		17,886,633	17,914,504
<b>Unrestricted funds</b>			
Unrestricted designated fund	16	<u>11,000</u>	<u>11,000</u>
<b>Total funds</b>		<u><b>17,897,633</b></u>	<u><b>17,925,504</b></u>

The financial statements on pages 26 to 54 were approved by the Directors, and authorised for issue on 17.12.24.... and signed on their behalf by:

*L. A. Castledine*  
.....  
L Castledine (Chair)  
Trustee

## The Shropshire Gateway Educational Trust

### Statement of Cash Flows for the year ended 31 August 2024

	Note	2024 £	2023 £
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	19	(110,771)	(386,333)
<b>Cash flows from investing activities</b>	21	(57,294)	34,871
<b>Cash flows from financing activities</b>	20	<u>(36,964)</u>	<u>(31,805)</u>
<b>Change in cash and cash equivalents in the year</b>		(205,029)	(383,267)
Cash and cash equivalents at 1 September		<u>453,551</u>	<u>836,818</u>
Cash and cash equivalents at 31 August	22	<u><u>248,522</u></u>	<u><u>453,551</u></u>

# The Shropshire Gateway Educational Trust

## Notes to the Financial Statements for the Year Ended 31 August 2024

### 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.

#### **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 2023 to 2024 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

#### **Going concern**

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

#### **Income**

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

#### **Grants**

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

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

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

#### **Donations**

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

# The Shropshire Gateway Educational Trust

## Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

### 1 Accounting policies (continued)

#### *Other income*

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

#### *Donated goods, facilities and services*

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

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.

#### *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 is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

#### **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.

All resources expended are inclusive of irrecoverable VAT.

#### *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.

# The Shropshire Gateway Educational Trust

## Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

### 1 Accounting policies (continued)

#### Tangible fixed assets

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

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

Depreciation is provided on all tangible fixed assets other than freehold land 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, per the table below. Where an asset comprises of two or more components which have substantially different useful lives, each component is depreciated separately over its useful economic life.

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.

<b>Asset class</b>	<b>Depreciation method and rate</b>
Leasehold property	125 years straight line
Furniture and Fixtures	5 - 20 years straight line
Computer equipment	3 years straight line

#### 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.

#### 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.

# The Shropshire Gateway Educational Trust

## Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

### 1 Accounting policies (continued)

#### Leased assets

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

#### Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. 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 creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 14 and 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

#### Stock

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

#### Taxation

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

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

# The Shropshire Gateway Educational Trust

## Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

### 1 Accounting policies (continued)

#### Pension 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 so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a 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 scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to net income/(expenditure) are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

#### Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education and Skills Funding Agency/Department for Education/sponsor/other 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 Education and Skills Funding Agency/Department for Education.

#### Critical accounting estimates and areas of judgement

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

# The Shropshire Gateway Educational Trust

## Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

### 1 Accounting policies (continued)

#### *Critical accounting estimates and assumptions*

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact on the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 August 2024. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

### 2 Donations and capital grants

	<b>Restricted General Funds £</b>	<b>Restricted Fixed Asset Funds £</b>	<b>2023/24 Total £</b>	<b>2022/23 Total £</b>
Capital grants	-	16,335	16,335	41,843
Other donations	20,156	-	20,156	23,176
	<u>20,156</u>	<u>16,335</u>	<u>36,491</u>	<u>65,019</u>



## The Shropshire Gateway Educational Trust

### Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

#### 3 Funding for the academy trust's charitable activities

	<b>Restricted General Funds £</b>	<b>2023/24 Total £</b>	<b>2022/23 Total £</b>
<b>Educational operations</b>			
<b>DfE/ESFA revenue grants</b>			
General Annual Grant (GAG)	5,717,151	5,717,151	5,358,994
Pupil Premium	251,250	251,250	239,896
Universal Infant Free School Meals (UIFSM)	122,543	122,543	20,511
COVID-19 Government Support	-	-	5,932
PE and Sports Grant	52,110	52,110	51,960
Teachers Pay Grant	150,988	150,988	-
Mainstream school additional grant (MSAG)	194,937	194,937	-
Other DfE / ESFA Grant Income	<u>138,978</u>	<u>138,978</u>	<u>319,554</u>
	<u>6,627,957</u>	<u>6,627,957</u>	<u>5,996,847</u>
<b>Other government grants</b>			
Local Authority - SEN	496,182	496,182	495,920
Local Authority - Early Years	190,127	190,127	206,579
Local Authority - Other	<u>64,922</u>	<u>64,922</u>	<u>101,099</u>
	751,231	751,231	803,598
<b>Non-government grants and other income</b>			
Other income from the Trust's educational operations	<u>192,551</u>	<u>192,551</u>	<u>177,697</u>
Total grants	<u><u>7,571,739</u></u>	<u><u>7,571,739</u></u>	<u><u>6,978,142</u></u>

## The Shropshire Gateway Educational Trust

### Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

#### 4 Other trading activities

	Restricted General Funds £	2023/24 Total £	2022/23 Total £
Lettings Income	14,294	14,294	10,705
Catering income	194,057	194,057	182,698
Insurance Income	123,930	123,930	72,656
Sale of goods & services	300,398	300,398	414,090
	<u>632,679</u>	<u>632,679</u>	<u>680,149</u>

#### 5 Expenditure

	Non Pay Expenditure			2023/24 Total £	As restated 2022/23 Total £
	Staff costs £	Premises £	Other costs £		
<b>Academy trust's educational operations</b>					
Direct costs	5,362,347	213,520	562,664	6,138,531	5,968,014
Allocated support costs	1,129,028	429,110	726,111	2,284,249	2,664,953
	<u>6,491,375</u>	<u>642,630</u>	<u>1,288,775</u>	<u>8,422,780</u>	<u>8,632,967</u>

#### Net income/(expenditure) for the year includes:

	2023/24 £	2022/23 £
Operating lease rentals	62,803	35,022
Depreciation	213,520	216,085
Fees payable to auditor - audit	16,500	16,013
- other audit services	6,150	2,329
	<u>6,150</u>	<u>2,329</u>

## The Shropshire Gateway Educational Trust

### Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

#### 6 Charitable activities

	2023/24	As restated 2022/23
	£	£
Direct costs - educational operations	6,138,531	5,968,014
Support costs - educational operations	<u>2,284,249</u>	<u>2,664,953</u>
	<u>8,422,780</u>	<u>8,632,967</u>

  

	Educational operations	2023/24 Total	As restated 2022/23 Total
	£	£	£
<b>Analysis of support costs</b>			
Support staff costs	1,129,028	1,129,028	1,162,090
Technology costs	241,925	241,925	6,957
Premises costs	429,110	429,110	834,853
Legal costs - other	54,430	54,430	85,003
Other support costs	415,528	415,528	560,037
Governance costs	<u>14,228</u>	<u>14,228</u>	<u>16,013</u>
Total support costs	<u>2,284,249</u>	<u>2,284,249</u>	<u>2,664,953</u>

#### 7 Staff

##### Staff costs and employee benefits

	2023/24	As restated 2022/23
	£	£
<b>Staff costs during the year were:</b>		
Wages and salaries	4,983,235	4,701,608
Social security costs	439,761	432,662
Operating costs of defined benefit pension schemes	<u>1,033,838</u>	<u>1,086,503</u>
	6,456,834	6,220,773
Supply staff costs	<u>34,541</u>	<u>18,931</u>
	<u>6,491,375</u>	<u>6,239,704</u>

## The Shropshire Gateway Educational Trust

### Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

#### 7 Staff (continued)

##### Staff numbers

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

	2023/24	2022/23
	No	No
Teachers	62	67
Administration and support	122	125
Management	7	7
	<u>191</u>	<u>199</u>

##### Staff numbers (full time equivalent)

The average number of persons, expressed as a full time equivalent, employed by the academy trust during the year was as follows:

	2023/24	2022/23
	No	No
	<u>146</u>	<u>149</u>

##### Higher paid staff

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

	2023/24	2022/23
	No	No
£60,001 - £70,000	3	2
£70,001 - £80,000	1	2
£80,001 - £90,000	<u>2</u>	<u>2</u>

##### Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £774,404 (2023: £639,765).

## The Shropshire Gateway Educational Trust

### Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

#### 8 Central services

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

- Financial management
- Estate and premises
- Procurement
- Catering
- HR and payroll
- IT services

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

Formula based on pupil numbers.

The actual amounts charged during the year were as follows:

	<b>2023/24</b>	<b>2022/23</b>
	<b>£</b>	<b>£</b>
The Lacon Childe School	260,935	166,889
Clee Hill Community Academy	75,938	42,965
Cleobury Mortimer Primary School	116,842	72,276
Stottesdon CofE Primary School	61,846	36,370
	<u>515,561</u>	<u>318,500</u>

#### 9 Related party transactions - 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 role as trustees. The value of trustees' remuneration and other benefits was as follows:

K Jones - Chief Executive Officer and Accounting Officer (staff trustee):

Remuneration: £80,000 - £85,000 (2023 - £75,000 - £80,000)

Employer's pension contributions: £20,000 - £25,000 (2023 - £15,000 - £20,000)

During the year ended 31 August 2024, travel and subsistence expenses totalling £Nil (2023 - £Nil) were reimbursed or paid directly to 0 trustees (2023 - 0).

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

## The Shropshire Gateway Educational Trust

### Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

#### 10 Trustees' and officers' insurance

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme. The cost of this insurance is included in the total insurance cost and cost for the year to 31 August 2024 totalled £24,143 (2023: £22,313).

#### 11 Tangible fixed assets

	Leasehold land and buildings £	Assets under construction £	Furniture and equipment £	Computer equipment £	Total £
<b>Cost</b>					
At 1 September 2023	20,151,694	33,026	170,386	286,997	20,642,103
Additions	32,298	-	41,353	14,640	88,291
Transfers	19,713	(19,713)	-	-	-
At 31 August 2024	<u>20,203,705</u>	<u>13,313</u>	<u>211,739</u>	<u>301,637</u>	<u>20,730,394</u>
<b>Depreciation</b>					
At 1 September 2023	1,323,466	-	115,737	279,898	1,719,101
Charge for the year	171,753	-	31,234	10,533	213,520
At 31 August 2024	<u>1,495,219</u>	<u>-</u>	<u>146,971</u>	<u>290,431</u>	<u>1,932,621</u>
<b>Net book value</b>					
At 31 August 2024	<u>18,708,486</u>	<u>13,313</u>	<u>64,768</u>	<u>11,206</u>	<u>18,797,773</u>
At 31 August 2023	<u>18,828,228</u>	<u>33,026</u>	<u>54,649</u>	<u>7,099</u>	<u>18,923,002</u>

#### 12 Stock

	2024 £	2023 £
Catering	<u>2,500</u>	<u>2,500</u>

## The Shropshire Gateway Educational Trust

### Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

#### 13 Debtors

	2024	2023
	£	£
Trade debtors	53,746	66,076
VAT recoverable	70,504	58,997
Other debtors	4,088	375
Prepayments	72,283	80,031
Accrued grant and other income	150,080	158,070
	350,701	363,549

#### 14 Creditors: amounts falling due within one year

	2024	2023
	£	£
Trade creditors	156,432	116,169
Other taxation and social security	-	18,486
Loans	35,168	34,974
Other creditors	2	1,656
Accruals	72,581	118,708
Deferred income	87,628	147,974
	351,811	437,967
	2024	2023
	£	£

#### Deferred income

Deferred income at 1 September 2023	147,974	85,896
Resources deferred in the period	87,628	147,974
Amounts released from previous periods	(147,974)	(85,896)
Deferred income at 31 August 2024	87,628	147,974

Deferred income relates to trip fees received in advance and grant and other income received to fund specific items relating to 2024/2025 year end.

Included in loans are 5 interest free salix loans amounting to £109,172 with £19,038 being due under 1 year. These loans are repayable over 8 years.

Also included within loans are 3 CIF loans amounting to £129,047, with £16,131 being due under 1 year. These loans are repayable over 10 years with interest rates of 1.95% and 2.07%.

## The Shropshire Gateway Educational Trust

### Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

#### 15 Creditors: amounts falling due in greater than one year

	2024	2023
	£	£
Loans	<u>203,052</u>	<u>223,131</u>

Included in loans are 5 interest free salix loans amounting to £109,172 with £90,135 being due over 1 year. These loans are repayable over 8 years.

Also included within loans are 3 CIF loans amounting to £129,047, with £112,916 being due over 1 year. These loans are repayable over 10 years with interest rates of 1.95% and 2.07%.



## The Shropshire Gateway Educational Trust

### Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

#### 16 Funds

	Balance at 1 September 2023 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2024 £
<b>Restricted funds</b>					
<i>Restricted general funds</i>					
General Annual Grant	-	5,717,151	(5,602,363)	(36,968)	77,820
Pupil Premium	-	251,250	(251,250)	-	-
Universal Infant Free School Meals	-	122,543	(122,543)	-	-
PE & sports grant	-	52,110	(52,110)	-	-
Teachers Pay Grant	-	150,988	(150,988)	-	-
Mainstream schools additional grant	-	194,937	(194,937)	-	-
Other dfe/esfa grants	154,474	138,978	(293,452)	-	-
Local authority grants	-	751,231	(751,231)	-	-
Other educational income	-	192,551	(192,551)	-	-
Other income	-	652,835	(652,835)	-	-
<i>Restricted fixed asset funds</i>					
Restricted funds	18,916,030	16,335	(213,520)	36,968	18,755,813
<i>Pension reserve funds</i>					
Pension reserve	<u>(1,156,000)</u>	-	<u>55,000</u>	<u>154,000</u>	<u>(947,000)</u>
Total restricted funds	<u>17,914,504</u>	<u>8,240,909</u>	<u>(8,422,780)</u>	<u>154,000</u>	<u>17,886,633</u>
<i>Unrestricted designated funds</i>					
Lacon Childe School - Sinking fund	5,000	-	-	6,000	11,000
Lacon Childe School - Hall project	<u>6,000</u>	-	-	<u>(6,000)</u>	-
Total unrestricted funds	<u>11,000</u>	-	-	-	<u>11,000</u>
Total funds	<u><u>17,925,504</u></u>	<u><u>8,240,909</u></u>	<u><u>(8,422,780)</u></u>	<u><u>154,000</u></u>	<u><u>17,897,633</u></u>

## The Shropshire Gateway Educational Trust

### Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

#### 16 Funds (continued)

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

	Balance at 1 September 2022 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2023 £
<b>Restricted funds</b>					
<i>Restricted general funds</i>					
General Annual Grant	-	5,358,994	(5,358,994)	-	-
Pupil Premium	-	239,896	(239,896)	-	-
Other grants	736,604	2,082,577	(2,733,992)	69,285	154,474
<i>Restricted fixed asset funds</i>					
Unspent capital monies	851,983	41,843	-	(893,826)	-
Restricted funds	18,307,574	-	(216,085)	824,541	18,916,030
<i>Pension reserve funds</i>					
Pension reserve	<u>(1,927,000)</u>	<u>-</u>	<u>(84,000)</u>	<u>855,000</u>	<u>(1,156,000)</u>
Total restricted funds	<u>17,969,161</u>	<u>7,723,310</u>	<u>(8,632,967)</u>	<u>855,000</u>	<u>17,914,504</u>
<i>Unrestricted designated funds</i>					
Lacon Childe School - Sinking fund	5,000	-	-	-	5,000
Lacon Childe School - Hall project	<u>6,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,000</u>
Total unrestricted funds	<u>11,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,000</u>
Total funds	<u>17,980,161</u>	<u>7,723,310</u>	<u>(8,632,967)</u>	<u>855,000</u>	<u>17,925,504</u>

The academy trust is not subject to GAG carried forward limits.

## The Shropshire Gateway Educational Trust

### Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

#### 16 Funds (continued)

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

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

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

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

The Lacon Childe School hall project funds were specifically donated by the PTA for the purpose of refurbishment works in the main school hall.

The Lacon Childe curriculum fund represents specific support programs for transition and KS4 catchup.

#### Total funds analysis by academy

Fund balances at 31 August 2024 were allocated as follows:

	2024	2023
	£	£
The Lacon Childe School	(41,857)	47,957
Clee Hill Community Academy	(27,576)	20,283
Cleobury Mortimer Primary School	95,872	54,511
Stottesdon CofE Primary School	(39,914)	(52,819)
Central services	<u>102,295</u>	<u>95,542</u>
Total before fixed assets and pension reserve	88,820	165,474
Restricted fixed asset fund	18,755,813	18,916,030
Pension reserve	<u>(947,000)</u>	<u>(1,156,000)</u>
Total	<u><u>17,897,633</u></u>	<u><u>17,925,504</u></u>

Stottesdon C of E Primary School are currently showing negative revenue reserves. There is a budgeted and planned contribution from in year future budgets which will return these funds to a surplus.

The Lacon childe school is currently in deficit due to an under funding issue regarding its SEND hub. It is working with the Local authority to resolve this issue going forward and plans to recover this amount in the 24/25 financial year's in year budget.

The Clee Hill Community Academy is currently in a deficit position due to SEN underfunding. This deficit will be removed in the 24/25 financial year's in year budget.

## The Shropshire Gateway Educational Trust

### Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

#### 16 Funds (continued)

##### Total cost analysis by academy

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

	<b>Teaching and educational support staff costs £</b>	<b>Other support staff costs £</b>	<b>Educational supplies £</b>	<b>Other costs (excluding depreciation) £</b>	<b>Total 2023/24 £</b>	<b>Total 2022/23 £</b>
The Lacon Childe School	2,400,424	1,054,879	168,374	915,629	4,539,306	4,113,498
Clee Hill Community Academy	511,791	286,301	29,777	154,504	982,373	897,506
Cleobury Mortimer Primary School	900,821	463,994	77,203	240,189	1,682,207	1,508,562
Stottesdon CofE Primary School	479,830	211,814	20,188	115,881	827,713	787,580
Central services	-	214,175	2,298	(38,812)	177,661	1,109,736
Academy Trust	<u>4,292,866</u>	<u>2,231,163</u>	<u>297,840</u>	<u>1,387,391</u>	<u>8,209,260</u>	<u>8,416,882</u>

#### 17 Analysis of net assets between funds

Fund balances at 31 August 2024 are represented by:

	<b>Unrestricted Funds £</b>	<b>Restricted General Funds £</b>	<b>Restricted Fixed Asset Funds £</b>	<b>Total Funds £</b>
Tangible fixed assets	-	-	18,797,773	18,797,773
Current assets	11,000	394,463	196,260	601,723
Current liabilities	-	(316,643)	(35,168)	(351,811)
Creditors over 1 year	-	-	(203,052)	(203,052)
Pension scheme liability	-	(947,000)	-	(947,000)
Total net assets	<u>11,000</u>	<u>(869,180)</u>	<u>18,755,813</u>	<u>17,897,633</u>

## The Shropshire Gateway Educational Trust

### Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

#### 17 Analysis of net assets between funds (continued)

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

	Unrestricted Funds £	As restated Restricted General Funds £	As restated Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	18,923,002	18,923,002
Current assets	11,000	557,467	251,133	819,600
Current liabilities	-	(402,993)	(34,974)	(437,967)
Creditors over 1 year	-	-	(223,131)	(223,131)
Pension scheme liability	-	(1,156,000)	-	(1,156,000)
Total net assets	<u>11,000</u>	<u>(1,001,526)</u>	<u>18,916,030</u>	<u>17,925,504</u>

#### 18 Long-term commitments, including operating leases

##### *Operating leases*

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

	2024 £	2023 £
Amounts due within one year	48,148	66,959
Amounts due between one and five years	<u>30,699</u>	<u>55,014</u>
	<u>78,847</u>	<u>121,973</u>

Operating leases relate to a variety of leases held for photocopiers, vehicles and IT equipment.

## The Shropshire Gateway Educational Trust

### Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

#### 19 Reconciliation of net expenditure to net cash inflow/(outflow) from operating activities

	2023/24	As restated 2022/23
	£	£
Net expenditure	(181,871)	(909,657)
Depreciation	213,520	216,087
Capital grants from DfE and other capital income	(16,335)	(41,843)
Interest payable	2,417	-
Defined benefit pension scheme cost less contributions payable	(103,000)	-
Defined benefit pension scheme finance cost	48,000	84,000
Decrease in stocks	-	3,207
Decrease in debtors	12,848	144,502
(Decrease)/increase in creditors	<u>(86,350)</u>	<u>117,371</u>
Net cash used in Operating Activities	<u><u>(110,771)</u></u>	<u><u>(386,333)</u></u>

#### 20 Cash flows from financing activities

	2023/24	2022/23
	£	£
Repayments of borrowing	(35,168)	(31,805)
Interest payable	<u>(1,796)</u>	<u>-</u>
Net cash used in financing activities	<u><u>(36,964)</u></u>	<u><u>(31,805)</u></u>

#### 21 Cash flows from investing activities

	2023/24	As restated 2022/23
	£	£
Purchase of tangible fixed assets	(88,291)	(6,972)
Capital funding received from sponsors and others	<u>30,997</u>	<u>41,843</u>
Net cash (used in)/provided by investing activities	<u><u>(57,294)</u></u>	<u><u>34,871</u></u>

#### 22 Analysis of cash and cash equivalents

	2024	2023
	£	£
Cash in hand and at bank	<u>248,522</u>	<u>453,551</u>
Total cash and cash equivalents	<u><u>248,522</u></u>	<u><u>453,551</u></u>

## The Shropshire Gateway Educational Trust

### Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

#### 23 Analysis of changes in net debt

	At 1 September 2023 £	Cash flows £	At 31 August 2024 £
Cash	453,551	(205,029)	248,522
Loans falling due within one year	(34,974)	(194)	(35,168)
Loans falling due after more than one year	(223,131)	20,079	(203,052)
	(258,105)	19,885	(238,220)
Total	195,446	(185,144)	10,302

#### 24 Contingent liabilities

The Shropshire Gateway Education Trust is aware of the 2023 ruling in the Virgin Media vs NTL Pension Trustee case and subsequent court of appeal ruling published in July 2024. This ruling noted that certain amendments made to the NTL Pension Plan were deemed to be invalid because they were not accompanied by the correct actuarial confirmation, being a Section 37 certificate acknowledging an amendment to the scheme deeds.

There remains significant uncertainty as to whether the ruling will result in additional liabilities for UK pension schemes.

A detailed review of historic documentation will be needed to determine whether the changes made by the Scheme were valid (assuming retrospective certification does not become an option), and such a review will take some time to complete.

As a result, The Shropshire Gateway Education Trust cannot be certain of the potential implications (if any) and therefore a sufficiently reliable estimate of any effect on the obligation cannot be made.

#### 25 Member 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.

## The Shropshire Gateway Educational Trust

### Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

#### 26 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Shropshire County Pension Fund . Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2020 and of the LGPS to the period ended 31 March 2022.

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

#### 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 member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

#### Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to ensure scheme costs are recognised and managed appropriately and the review specifies the level of future contributions.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 27 October 2023, with the SCAPE rate, set by HMT, applying a notional investment return based on 1.7% above the rate of CPI. The key elements of the valuation outcome are:

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

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

The employer's pension costs paid to TPS in the period amounted to £724,022 (2023: £667,908).



## The Shropshire Gateway Educational Trust

### Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

#### 26 Pension and similar obligations (continued)

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy trust is unable to identify its share of the underlying assets and liabilities of the plan. Accordingly, the academy trust has 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 schemes

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2024 was £560,000 (2023 - £498,000), of which employer's contributions totalled £446,000 (2023 - £398,000) and employees' contributions totalled £114,000 (2023 - £100,000). The agreed contribution rates for future years are per cent for employers and per cent for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an academy trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

#### Principal actuarial assumptions

	2024	2023
	%	%
Rate of increase in salaries	3.85	4.05
Rate of increase for pensions in payment/inflation	2.70	2.90
Discount rate for scheme liabilities	5.00	5.30
Inflation assumptions (CPI)	2.60	2.80

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

	2024	2023
<b>Retiring today</b>		
Males retiring today	21.70	21.70
Females retiring today	24.20	24.10
<b>Retiring in 20 years</b>		
Males retiring in 20 years	23.00	23.00
Females retiring in 20 years	25.90	25.90

## The Shropshire Gateway Educational Trust

### Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

#### 26 Pension and similar obligations (continued)

##### Sensitivity analysis

	2024	2023
	£	£
Discount rate +0.1%	(99,000)	650,000
Discount rate -0.1%	101,000	-
Mortality assumption – 1 year increase	103,000	1,243,000
Mortality assumption – 1 year decrease	(102,000)	-
CPI rate +0.1%	101,000	1,375,000
CPI rate -0.1%	(100,000)	-
Pay growth +0.1%	-	1,192,000
	<u>                    </u>	<u>                    </u>

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

	2024	2023
	£	£
Equities	2,404,936	1,702,000
Other bonds	591,856	570,000
Property	133,376	108,000
Cash and other liquid assets	54,184	46,000
Other	983,648	833,000
	<u>                    </u>	<u>                    </u>
Total market value of assets	<u>4,168,000</u>	<u>3,259,000</u>

The actual return on scheme assets was £407,000 (2023 - £40,000).

##### Amounts recognised in the Statement of Financial Activities

	2023/24	2022/23
	£	£
Current service cost	(326,000)	(392,000)
Interest income	187,000	120,000
Interest cost	(235,000)	(195,000)
Admin expenses	(17,000)	(15,000)
	<u>                    </u>	<u>                    </u>
Total amount recognised in the SOFA	<u>(391,000)</u>	<u>(482,000)</u>

## The Shropshire Gateway Educational Trust

### Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

#### 26 Pension and similar obligations (continued)

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

	2023/24	2022/23
	£	£
At start of period	4,412,000	4,543,000
Current service cost	326,000	392,000
Interest cost	235,000	195,000
Employee contributions	114,000	100,000
Actuarial (gain)/loss	65,000	(695,000)
Benefits paid	(37,000)	(123,000)
	5,115,000	4,412,000
At 31 August		

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

	2023/24	2022/23
	£	£
At start of period	3,256,000	2,616,000
Interest income	187,000	120,000
Actuarial gain/(loss)	219,000	160,000
Employer contributions	446,000	398,000
Employee contributions	114,000	100,000
Benefits paid	(37,000)	(123,000)
Effect of non-routine settlements	(17,000)	(15,000)
	4,168,000	3,256,000
At 31 August		

#### 27 Related party transactions

There were no related party transactions in the year, other than certain trustees' remuneration and expenses already disclosed in note 9.

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

During the prior year the Son of the Trust Head of Finance, Business and Operations and Company Secretary was remunerated £57,587 for employment within the Trust. No amounts were outstanding at the year end.

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

## The Shropshire Gateway Educational Trust

### Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

#### 28 Statement of Financial Activities for the year ended 31 August 2023

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2022/23 Total £
<b>Income and endowments from:</b>					
Donations and capital grants	2	-	23,176	41,843	65,019
Other trading activities	4	-	680,149	-	680,149
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	6,978,142	-	6,978,142
Total		-	7,681,467	41,843	7,723,310
<b>Expenditure on:</b>					
<i>Charitable activities:</i>					
Academy trust educational operations	6	-	8,416,882	216,085	8,632,967
Net expenditure		-	(735,415)	(174,242)	(909,657)
Transfers between funds		-	69,285	(69,285)	-
<b>Other recognised gains and losses</b>					
Actuarial gains on defined benefit pension schemes	26	-	855,000	-	855,000
Net movement in funds/(deficit)		-	188,870	(243,527)	(54,657)
<b>Reconciliation of funds</b>					
Total funds/(deficit) brought forward at 1 September 2022		11,000	(1,190,396)	19,159,557	17,980,161
Total funds/(deficit) carried forward at 31 August 2023		11,000	(1,001,526)	18,916,030	17,925,504