



Shropshire  
Gateway  
Educational Trust

**THE SHROPSHIRE GATEWAY EDUCATIONAL TRUST**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**



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**Partners**  
Protecting your future.

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

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**REFERENCE AND ADMINISTRATIVE DETAILS**

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<b>Members</b>	N Gibbon G Pain (Deceased 1 March 2021) E Davies M Dayborn A Gurney
<b>Directors</b>	J Auden (appointed 27 January 2021) L Castledine, Chair G Gosling A Gurney D Hill (resigned 22 November 2021) M Home (resigned 21 September 2020) L Latham (resigned 22 November 2021) J Parker D Reynolds, Executive Headteacher and Accounting Officer N Young (appointed 9 June 2021)
<b>Company registered number</b>	09115941
<b>Company name</b>	The Shropshire Gateway Educational Trust
<b>Principal and registered office</b>	Lacon Childe School Love Lane Cleobury Mortimer Shropshire DY14 8PE
<b>Company secretary</b>	Gill Bradley
<b>Chief executive officer</b>	Darren Reynolds
<b>Senior management team</b>	D Reynolds, Trust Executive Headteacher - Lacon Childe School G Bradley, Trust Business Manager C Little, Head Teacher - Clee Hill Community Academy C Mayfield, Head Teacher - Cleobury Mortimer Academy K Jones, Head Teacher - Stottesdon C of E Primary R Croxton-Broome, Deputy Head - Lacon Childe School M Dawes, Deputy Head - Cleobury Mortimer Primary

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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<b>Independent auditors</b>	WR Partners Chartered Accountants Belmont House Shrewsbury Business Park Shrewsbury Shropshire SY2 6LG
<b>Bankers</b>	Lloyds Bank Business Centre Wolverhampton West Midlands WV9 5HA
<b>Solicitors</b>	Browne Jacobson Victoria Square House Victoria Square Birmingham B2 4BU

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**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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The Directors present their annual report together with the financial statements and auditors' report of the charitable company for the 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a Trustees report and a Directors' report under company law.

The Multi Academy Trust, "The Trust" operates one secondary and three primary academies in the rural county of Shropshire. Its academies have a combined pupil capacity of 999 and had a roll of 1,104 in the school census on October 2020.

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

**Structure, governance and management**

**a. Constitution**

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

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

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

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

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

**b. Members' liability**

Each member of the 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.

**c. Method of recruitment and appointment or election of Directors**

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

**d. Policies adopted for the induction and training of Directors**

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

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**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**Structure, governance and management (continued)**

**e. Organisational structure**

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

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

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

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

There are no related parties which control or significantly influence the decisions and operational activities of the Trust.

There is no Trust sponsor.

The Trust schools work closely with education staff, professionals, parents and their local communities. The Trust has many school network lines which have been established to further the principal activity of the Trust.

**h. Trade union facility time**

The Trust did not have any employees who were relevant trade union officials during the year ended 31 August 2021.

**Objectives and activities**

**a. Objects and aims**

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

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

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

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

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**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**Objectives and activities (continued)**

**b. Objectives, strategies and activities**

The purpose of this policy is to set out our aspirational guidelines with which we hope to embed 'outstanding and beyond' teaching and learning across all areas of the academies. It should be used and adapted by departments to inform and develop their own individual policies for teaching and learning. In this way the policy and its practices will enable our learners to make rapid and sustained progress in all areas of the curriculum.

Through this policy we will ensure that there is:

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

**c. Public benefit**

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

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**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**Strategic report**

**Achievements and performance**

**Stottesdon C of E Primary school**

Attendance: 97.72%

**Achievements/key successes:**

- It was able to sustain a good level of education through the pandemic
- It rapidly relaunched into wider opportunities and personal development in the summer term
- It focused on pupil progress and achievement as below
- It sustained wrap around club and holiday club services for the community through the pandemic

**Educational outcomes:**

- Pupils, by the end of KS2, continue to achieve and attain well and are ready for the next stage of education
- There was improved provision and outcomes in the EYFS

**Challenges the school faced include:**

- The impact of Covid on our youngest pupils (those coming into Nursery; in Y1 and Y2) who have had their early years education and experiences severely disrupted
- Moving through a range of maternity leaves or changes linked to this
- Covering financial losses made during the pandemic due to a lower take up of the wrap around or holiday club
- Financially covering multiple long-term absences and pandemic staff absences
- Sustaining provision in 'bubbles' with less staffing due to absence
- Moving forward strategically/on the SDP due to significant disruption of the pandemic
- Staff workload

**Going forward the school priorities are:**

- Closing the gap for pupils who aren't working at age related expectations
- Solving the financial cover of unprecedented staff absence (Covid related and non-Covid related)
- Facilitating and skilling subject leaders to impact provision and standards in their subjects

**Cleobury Mortimer Primary School**

The last academic year started with a great deal of optimism following a year of lockdowns and reduced attendance for some staff and children. The priority for the start of the year was to reopen fully and follow guidelines from DfE and PHE to ensure the school site was as safe as possible for the children and staff to return. We also worked hard to reduce the impact of the measures required on the educational and social experience of the children.

The lockdown in November has little impact on the running of the school and attendance remained high.

The impact of the January lockdown on staff was quite considerable as we had more than 50% of children in school as either children of critical workers or vulnerable learners, with the number of vulnerable children increasing as the lockdown progressed. This meant that all teachers had class teaching responsibility as well as responsibility for remote learning. Developing a remote learning curriculum was a steep learning curve, but teachers managed the challenge extremely successfully and showed the high degree of professionalism and commitment to the children that always exemplifies their practice.



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**DIRECTORS' REPORT (CONTINUED)**  
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**Strategic report (continued)**

**Achievements and performance (continued)**

Attendance overall for the year was 95.22% which is below target, but not significantly so given the extenuating circumstances last year.

Educational outcomes are more difficult to quantify than usual. Internal data shows that there was a slight dip in achievement in Year 6, with fewer children achieving higher levels in internal assessments. Generally, it is the younger children who have been most negatively impacted by the interruption to their education. Significantly fewer of last year's Reception cohort reached the expected level of development (around 53% compared to 80+% in other years). This reflects the fact that many of them had not been in any nursery provision since February 2020 and therefore the baseline on entry to Reception was significantly lower than usual. Progress in Key Stage 1 classes last year was slower as the children had spent significantly less time in school and parents tended to struggle more as a greater level of adult support is necessary when home educating younger children. Certainly, we were providing more support for parents with younger children and the maximum numbers of children who could attend in all EYFS and KS1 classes did attend.

Our perception is that the children are generally presenting as much less mature than in previous years, and this has a negative impact on their readiness to learn.

The number of children eligible for benefit related free school meals has increased to 26%. The amount of social care we are having to provide as a school has also increased significantly and this aspect of our work is presenting some challenges in terms of workload for SLT. This reflects the lack of support available for families within the local community and is an issue we are proactively seeking support with from other agencies including social care, housing, health and the Police. We have established very good community links and continue to build on our good relationships within the community to support our families and children in a holistic way to increase the children's life chances and educational opportunities.

We have expanded our teaching staff this year to include a full-time Early Years teacher. This is crucial part of the children's education. Increasingly we are seeing children coming into Reception who are not 'school ready'. Many have speech and language deficit, and an increasing number are starting school in nappies. The work done in nursery means that we can have a really positive effect and ensure that those children who attend are ready to start school with their peers. Our nursery is mainly used by parents who receive funded places, not as childcare for working parents.

The school has undergone a comprehensive programme of building works. We had two successful CIF bids for a new roof and new boilers. Work on the roof and boilers began in October 2020 and has only recently been completed. This has been a result of various different factors which affected the work, including problems getting materials on site as a result of Brexit and Covid. The roof is now completed, and the building is weather tight for the first time for several years. The winter was very difficult as we did not have functioning heating in several areas of the building, but we are now beginning to feel the benefits of the new heating system.

The work on the boilers has uncovered some issues with the water pipes in school, but the cost of work to sort out the issues is prohibitive, so not likely to be a priority in the near future.

In addition to the roof and boiler projects, we have also used part of the internal courtyard area to create a staff room and a PPA room for use by staff. The former staffroom is in the process of being converted into a nurture room for the Nursery. This will allow staff to create a home environment where the children can work on social skills and basic self-care such as feeding themselves, eating at a table, etc. Many of our children do not have this experience at home so we need to provide it in school.

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**DIRECTORS' REPORT (CONTINUED)**  
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**Strategic report (continued)**

**Achievements and performance (continued)**

The Reception intake this current academic year was 46 so we needed to split the Reception class to form two classes. To accommodate the additional class of children we have had to add an additional classroom to the site. We achieved this by bringing a second-hand demountable on site to create a really nice, large classroom space.

We have also received funding from the Local Authority to convert the old school kitchen into a unit for children with communication and language disorders, specifically autism. We are currently awaiting the arrival of our first cohort of children with places being allocated by the Local Authority. We will receive additional funding for these children. This has long been an ambition for the school to be able to provide local education for all children, particularly those with additional needs who currently have to travel long distances to access educational opportunities.

Our number on roll is nearing capacity. We currently have 251 children with 8 free places across the school. All KS1 classes are at capacity. We also have 26 children on roll in nursery. The new housing developments in Cleobury have impacted on our numbers quite significantly.

School priorities for this year include continuing to work to ensure the gap which has developed between some learners as a result of Covid 19 is closed; further developing reading across the school in recognition of the pivotal role reading has in children's education and further developing the teaching of maths for mastery across the school. We will also be establishing the work of the SEND unit within the school and further developing the skill set and experience of the staff who will be working to support the children.

Although the year was once again defined by Covid-19, the school has remained forward looking and ambitious for all of our children.

**Clee Hill Community Academy**

The school can list a number of achievements for the academic year to include:

- Very positive comments from staff and pupils on questionnaires
- After school clubs and enrichments having now returned to school
- Children have settled well and are working hard.
- Without the bubbles of the system operated throughout the year, the school feels like a family school again.
- Interventions and tutoring/ catch up programs are now taking place
- Moving forward with changes to phonics and handwriting training after being 'on hold' for so long

Attendance was good in the summer term. The data looks better than it actually is as any Covid19 related absences are authorized and not counted on the statistics. Pupils who are unable to attend school, with Covid 19 related symptoms or isolation have been set work to complete by their class teacher.

For the summer term attendance was 98.33%.

High levels of staff absences have been hard to cover – especially in a small school. There are obviously financial implications (as well as an increased to staff workload) to this as supply teachers were bought in and the remaining staff worked additional shifts to cover where possible. Staff morale is good, but workload is high especially when covering others when they are unable to come into school (Covid 19 related) however, staff are very supportive of each other are hardworking, a strong team and always willing to cover when needed etc.

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**DIRECTORS' REPORT (CONTINUED)**  
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**Strategic report (continued)**

**Achievements and performance (continued)**

Educationally Year 2 and 6 exams were cancelled during the second lockdown in January. Therefore, for the second year running, grades for Year 6 pupils were teacher assessed and based on work completed in class and practice papers.

**Year 6 results**

	Reading	Writing	Maths	SPAG
OT+	87%	87%	87%	73%
GD	20%	40%	20%	27%
Typical national figures in a normal year for OT+	73%	78%	79%	78%
Typical national figures in a normal year for GD	28%	20%	23%	34%

The results for our Year 6s were surprising high considering the amount of disruption during lockdown. The older pupils coped well with online learning, and they have received a lot of additional interventions to prepare themselves for secondary school.

**Year 2 results**

	Reading	Writing	Maths
OT+	68%	41%	64%
GD	18%	0%	14%
Typical national figures in a normal year for OT+	75%	69%	76%
Typical national figures in a normal year for GD	25%	18%	18%

Year 2 results show that Covid 19 disruptions has had a huge impact on learning. Writing was affected more than maths and reading. The resilience of writers to write longer pieces/ more handwriting styles on return and issues with missing key spelling/ phonics lessons were evident. Interventions/ high quality teaching have been put in place to support these pupils as they go into Key Stage 2.

**Phonics**

- 100% of Year 3 pupils passed their phonics retakes. These are pupils who failed in Year 1 and should have retaken their phonics in Year 2.
- The Year 1 phonics assessment were in line with national. This has been a key focus for Key Stage 1 after a disruptive school year.

**GLD – Year R (good level of development).**

No results were collected this year. We have a strong 2021 cohort so the GLD would have been in line or above national this year.

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**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**Strategic report (continued)**

**Achievements and performance (continued)**

The school highlights its key successes as:

- Phonics was highlighted as an area to focus on, and catch-up programs have been very effective in this area (100% passes their retest)
- Learning packs sent home during lockdown worked effectively. Packs included all stationery and work to be completed each day and were swapped weekly
- Behaviour has returned to a good standard again post lockdown and pupils have good learning behaviours
- Enrichment activities (Bonkers for conkers, residentials, clubs, PTA events etc)

The school notes its challenges as:

- Assessments are showing large gaps in pupil's learning / a large proportion of pupils are not working at age related expectations
- Some pupils did not complete much home learning during lockdowns and have fallen further behind
- Staff workload – covering staff when they are off etc
- The unknown..... every time we plan something we always need a backup plan as well (which is exhausting)

The impact of Covid 19 where to start.... it's been very, very difficult. The impact has hit us in every area of school life, and we are now rebuilding but it will take time.

The school priorities going forward are:

- Catch up, catch up, catch up (plans are in place but we just need time now to focus on supporting pupils to close the gap)
- Supporting pupil's welfare as well as their academic needs

**Lacon Childe School**

Attendance 89.2% (mitigated by cases of Covid-10=9)

**Successes**

- Maintained and improved online learning provision for the majority of students
- Produced well documented and evidence for Centre Assessed Grades which were acknowledged as correct by all examination boards
- Reintegrated students back into school following the Spring Term lockdown
- Continued to have exceptionally low staff turnover
- Successful completion of Appraisal and Performance Management procedures
- Contained the spread of covid-19 amongst staff and students
- Over PAN in Year 7 intake
- Lacon Childe was successful with two Condition improvement fund project applications for improvements to the heating infrastructure and a replacement teaching block.
- A new SEND hub at the school funded through grants from the LA has provided a purpose built facility for children who have this additional need. The facility will come into use during Autumn term 2021
- Year 6 admission pupils took part in a successful summer school which has helped with their transition to Year 7

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**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**Strategic report (continued)**

**Achievements and performance (continued)**

Educational outcomes

<b>Student Attainment</b>	<b>2021</b>	<b>2019</b>	<b>2018</b>
4+ English	78.4%	89.8%	81.7%
5+ English	64%	75.9%	64.2%
4+ Maths	75.5%	84%	65.1%
5+ Maths	62.7%	52%	46.8%
4+ English and Maths	70.3%	79.5%	64.2%
5+ English and Maths	55%	47.7%	40.4%
Students passing 1 GCSE	99.1%	100%	100%
Students passing 5 GCSE's		100%	

Our students in Year 11 did not sit their end of year GCSE examinations and grades were determined by each subject in school. The work done by teaching staff to ensure fairness, accountability and accuracy was immense. External verification for grades awarded was achieved in most of the subject areas with internal moderation taking place for subjects where this was not possible. Our children got what they and their work deserved.

Staffing

- Positive throughout the disruption caused by the pandemic
- Maintained full time education for all students
- Online teaching saw exponential growth in terms of how the platform was used
- Only 3% staff turnover. 1 member of staff retiring after 36 years teaching at Lacon Childe
- Recruited 2 ECT in maths and geography
- 2 NQT teachers successfully completed their initial teaching in school and passed NQT

Challenges to school

- The return to school in 2020 and implementation of covid guidance from DfE and PHE
- Testing all students 3 times at the start of the new academic year and then twice before returning in March 2021
- Disruption to regular routines and procedures, although some have been maintained due to the benefit of introducing the measures
- Impact of repeated time away from school for all year groups but especially Year 11 in the increased assessment and examinations that were ongoing, Year 7 in the way we started the academic year and our Year 8 cohort where we had the most positive cases leading to the bubble being sent home on repeated occasions
- Financial impact of not providing catering across the school and Trust.
- Financial implications of the furlough scheme
- Maintaining motivation and engagement of staff and students

Moving forwards this year

- Recovery, Repair and Re-establish
- Initial areas for improvement include;
- Really develop the concept of being....more than just a school
- Improve PSHE and Tutor Time provision for all and develop the KS3 enrichment programme.
- Fully integrate the new SEN Hub into school life.
- House System including Inter House Competitions

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**DIRECTORS' REPORT (CONTINUED)**  
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**Strategic report (continued)**

**Achievements and performance (continued)**

Following staff meetings and discussion, the areas above have been accepted as our initial focus for this year. The past 18 months have had a serious and detrimental impact on our children, socially and emotionally. By recreating and further establishing our school ethos, we feel that we will begin the recovery for our school and students.

**a. Going concern**

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

**Financial review**

The surplus/deficit of the Trust in the year, excluding fixed assets and pension at the end of the accounting period 31 August 2021 was a surplus of £219,303 (2020: deficit £156,380).

**a. Reserves policy**

Total reserves for the Trust have increased by £365,565 (2020: £1,178,514) during the period. The reserves position at the end of the accounting period shows that the Trust holds the following reserves:

Fixed Asset Fund reserve £19,335,478 (2020: £18,627,216)  
Pension Fund reserve (£4,193,000) (2020: (£3,631,000))  
Restricted Fund reserves £329,361 (2020: £146,041)  
Unrestricted Fund reserves £56,650 (2020: £20,667)

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

In 2020/2021 use of the reserves was approved by directors to support the operating activities of individual schools. The principal source of funding for the trust academies is general annual grant directly from the Education Funding Agency, this funding is used to support the objectives of the academies with opportunities for income generation and external fund raising and grant applications supporting wherever possible. The trust also uses it annual grant funding to meet its obligations for pension deficits on the Local Government pension scheme.

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

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**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**b. Principal risks and uncertainties**

The Trust reports on strategic, operational, financial and compliance risks and has plans in place to manage and reduce any known or anticipated risk. Its matrix is regularly reviewed and updated and ownership is shared amongst senior leaders and Directors of the Trust. The highest risk that the Trust faced during the financial year was the uncertainties and impact on its educational output, operations and finances when faced with school closures during the Covid 19 pandemic. In response management plans for both education continuity and operational continuity were put in place.

**Fundraising**

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

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

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

**Plans for future periods**

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

**Disclosure of information to auditors**

Insofar as the Directors are aware:

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

The Directors' report, incorporating a strategic report, was approved by order of the Board of Directors, as the company directors, on 14/12/2021 and signed on its behalf by:

*L.A. Castledine*

**L Castledine**  
Chair of Directors

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**THE SHROPSHIRE GATEWAY EDUCATIONAL TRUST**  
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**GOVERNANCE STATEMENT**

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**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 Governance Handbook and competency framework for governance.

The Board of Directors has delegated the day-to-day responsibility to the chief executive, 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 Trustees' responsibilities. The Board of Directors which also incorporates the Finance and Resource Committee and also fulfills the responsibilities of an audit committee has formally met 6 times during the year.

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

Director	Meetings attended	Out of a possible
J Auden	5	5
L Castledine, Chair	6	6
G Gosling	5	6
A Gurney	5	6
D Hill	5	6
M Home	0	0
L Latham	4	6
J Parker	6	6
D Reynolds, Executive Headteacher and Accounting Officer	6	6
N Young	1	2

The Shropshire Gateway Educational Trust Board of Directors reviews their governance on an annual basis. The board covers all aspects of educational delivery and accountability, financial management, premises oversight, strategic development, audit, internal scrutiny, risk management, policies and staff wellbeing.



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

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**GOVERNANCE STATEMENT (CONTINUED)**

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**Governance (continued)**

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

Attendance during the year at meetings was as follows:

J Audem	5	5
L Castledine	6	6
G Gosling	5	6
A Gurney	5	6
D Hill	5	6
M Home	0	0
L Latham	4	6
J Parker	6	6
D Reynolds	6	6
N Young	1	2

**Review of value for money**

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

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

- Undertaking a planned program of internal scrutiny.
- A planned series of capital asset additions and improvements has added to the trust asset register.
- Maintaining and regularly reviewing the Risk register.
- Taking the Catering provision trustwide into central management.
- Maintaining a tight schedule of management accounts and long term business planning.

**The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Shropshire Gateway Educational Trust for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

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

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**GOVERNANCE STATEMENT (CONTINUED)**

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**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 on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1st September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

**The risk and control framework**

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

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

The Board of Directors has decided not to appoint an internal auditor. However, the Directors have appointed L Castledine and J Auden, Directors, to carry out a programme of internal checks.

The Board of Trustees 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. During the financial year it has met in many instances remotely but has been able to rely on information of a high standard to inform them and ensure they can challenge appropriately.

The external auditor also performs a schedule of work to supplement this throughout the year. No areas of material control have been raised as issues.

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

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**GOVERNANCE STATEMENT (CONTINUED)**

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**Review of effectiveness**

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

- the work of the Trust Business Manager who has responsibility for the development and maintenance of the systems of internal control;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

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

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

*L A Castledine*

**L Castledine**  
Chair of Directors

Date: 14/12/2021

*D Reynolds*

**D Reynolds**  
Accounting Officer

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

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As accounting officer of The Shropshire Gateway Educational Trust I have considered my responsibility to notify the Trust Board of Directors and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Trust, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

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

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



**D Reynolds**  
Accounting Officer  
Date: 14/12/2021

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

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**STATEMENT OF DIRECTORS' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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The Directors (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Directors' report and the financial statements in accordance with the Academies Accounts Direction published by the Education 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 . Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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

*L.A. Castledine*

**L Castledine**

Chair of Directors

Date: 14/12/2021

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

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

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### **Opinion**

We have audited the financial statements of The Shropshire Gateway Educational Trust (the 'Trust') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

### **Basis for opinion**

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

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

In auditing the financial statements, we have concluded that the 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 Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

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

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

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**Other information**

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

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Directors' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

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

In the light of our knowledge and understanding of the Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report including the Strategic Report.

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

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

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

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

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**Responsibilities of Directors**

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

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

**Auditors' responsibilities for the audit of the financial statements**

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

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

- We reviewed the susceptibility of the Trust's financial statements to material misstatement and identified the principal risks, implementing a series of testing procedures to provide us with sufficient comfort to issue our opinion.
- We reviewed the Trust's regulatory environment to ensure we could conclude that it had acted in accordance with the framework relevant to the Trust and its environment and identify any instances of non-compliance.
- We also assessed the Trust's internal control procedures to ensure we could appropriately scrutinise these controls and establish whether our understanding of the control environment was sufficient to supplement our additional testing procedures.
- The engagement team consisted of a team that the engagement partner believes is equipped with the relevant level of technical and Trust awareness to carry out our work to the required standard.

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



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

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

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**Use of our report**

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



**Andrew Malpass BA FCA (Senior statutory auditor)**

for and on behalf of

**WR Partners**

Chartered Accountants

Statutory Auditors

Belmont House

Shrewsbury Business Park

Shrewsbury

Shropshire

SY2 6LG

Date:

*15<sup>th</sup> December 2021*

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

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

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In accordance with the terms of our engagement letter dated 19 August 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Shropshire Gateway Educational Trust during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of The Shropshire Gateway Educational Trust's funding agreement with the Secretary of State for Education dated June 2014 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**Approach**

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

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

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

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

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

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

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**Conclusion**

In the course of our work, except for the matters listed below nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*WR Partners*

Andrew Malpass BA FCA (Senior statutory auditor)

**WR Partners**

Chartered Accountants

Statutory Auditors

Belmont House

Shrewsbury Business Park

Shrewsbury

Shropshire

SY2 6LG

Date: *15<sup>th</sup> December 2021*

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

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
<b>Income from:</b>						
Donations and capital grants	3	-	9,212	917,392	926,604	1,692,132
Charitable activities	4	51,650	6,052,372	-	6,104,022	5,737,169
Other trading activities	5	-	330,423	-	330,423	338,816
Investments	6	-	-	-	-	337
<b>Total income</b>		<b>51,650</b>	<b>6,392,007</b>	<b>917,392</b>	<b>7,361,049</b>	<b>7,768,454</b>
<b>Expenditure on:</b>						
Charitable activities	7,8	15,667	6,477,687	209,130	6,702,484	6,405,940
<b>Total expenditure</b>		<b>15,667</b>	<b>6,477,687</b>	<b>209,130</b>	<b>6,702,484</b>	<b>6,405,940</b>
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>35,983</b>	<b>(85,680)</b>	<b>708,262</b>	<b>658,565</b>	<b>1,362,514</b>
<b>Other recognised gains/(losses):</b>						
Actuarial losses on defined benefit pension schemes	25	(293,000)	-	-	(293,000)	(184,000)
<b>Net movement in funds</b>		<b>(257,017)</b>	<b>(85,680)</b>	<b>708,262</b>	<b>365,565</b>	<b>1,178,514</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward	19	20,667	(3,484,959)	18,627,216	15,162,924	13,984,410
Net movement in funds		(257,017)	(85,680)	708,262	365,565	1,178,514
<b>Total funds carried forward</b>		<b>(236,350)</b>	<b>(3,570,639)</b>	<b>19,335,478</b>	<b>15,528,489</b>	<b>15,162,924</b>

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

The notes on pages 30 to 60 form part of these financial statements.

**THE SHROPSHIRE GATEWAY EDUCATIONAL TRUST**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 09115941**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	14	<b>18,510,587</b>	<b>17,144,248</b>
		<b>18,510,587</b>	<b>17,144,248</b>
<b>Current assets</b>			
Stocks	15	<b>1,000</b>	<b>5,742</b>
Debtors	16	<b>1,519,272</b>	<b>1,514,738</b>
Cash at bank and in hand		<b>715,718</b>	<b>581,181</b>
		<b>2,235,990</b>	<b>2,101,661</b>
Creditors: amounts falling due within one year	17	<b>(808,245)</b>	<b>(451,985)</b>
<b>Net current assets</b>		<b>1,427,745</b>	<b>1,649,676</b>
<b>Total assets less current liabilities</b>		<b>19,938,332</b>	<b>18,793,924</b>
Creditors: amounts falling due after more than one year	18	<b>(216,843)</b>	<b>-</b>
<b>Net assets excluding pension liability</b>		<b>19,721,489</b>	<b>18,793,924</b>
Defined benefit pension scheme liability	25	<b>(4,193,000)</b>	<b>(3,631,000)</b>
<b>Total net assets</b>		<b>15,528,489</b>	<b>15,162,924</b>

**THE SHROPSHIRE GATEWAY EDUCATIONAL TRUST**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 09115941**

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2021**

	Note	2021 £	2020 £
<b>Funds of the Trust</b>			
<b>Restricted funds:</b>			
Fixed asset funds	19	19,335,478	18,627,216
Restricted income funds	19	329,361	146,041
		<u>19,664,839</u>	<u>18,773,257</u>
Restricted funds excluding pension asset	19	19,664,839	18,773,257
Pension reserve	19	(4,193,000)	(3,631,000)
		<u>15,471,839</u>	<u>15,142,257</u>
<b>Total restricted funds</b>	19	<b>15,471,839</b>	<b>15,142,257</b>
<b>Unrestricted income funds</b>	19	<b>56,650</b>	<b>20,667</b>
		<u>15,528,489</u>	<u>15,162,924</u>
<b>Total funds</b>		<b>15,528,489</b>	<b>15,162,924</b>

The financial statements on pages 26 to 60 were approved and authorised for issue by the Directors and are signed on their behalf, by:

*L.A. Castledine*

**L Castledine**  
Chair of Directors  
Date: 14/12/2021

The notes on pages 30 to 60 form part of these financial statements.

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

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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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	Note	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	21	1,710,006	580,076
<b>Cash flows from investing activities</b>	22	(1,575,469)	(511,789)
<b>Change in cash and cash equivalents in the year</b>		<b>134,537</b>	<b>68,287</b>
Cash and cash equivalents at the beginning of the year		<b>581,181</b>	512,894
<b>Cash and cash equivalents at the end of the year</b>	23, 24	<u><b>715,718</b></u>	<u><b>581,181</b></u>

The notes on pages 30 to 60 form part of these financial statements

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**1. Accounting policies**

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

**1.1 Basis of preparation of financial statements**

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

**1.2 Going concern**

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

**1.3 Income**

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

• **Grants**

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

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

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

• **Donations**

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



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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**1. Accounting policies (continued)**

**1.3 Income (continued)**

- **Other income**

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

**1.4 Expenditure**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

**1.5 Interest receivable**

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

**1.6 Taxation**

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

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**1. Accounting policies (continued)**

**1.7 Tangible fixed assets**

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

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

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

Leasehold property	- 125 years straight Line
Furniture and Fixtures	- 5 - 20 years straight Line
Computer equipment	- 3 year straight Line
Motor vehicles	- 5 years reducing balance
Leasehold improvements	- 10 years straight Line

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

**1.8 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**1.9 Debtors**

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

**1.10 Cash at bank and in hand**

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**1. Accounting policies (continued)**

**1.11 Liabilities**

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

**1.12 Provisions**

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

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

**1.13 Financial instruments**

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments.

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

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

**1.14 Operating leases**

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**1. Accounting policies (continued)**

**1.15 Pensions**

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

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

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

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

**1.16 Fund accounting**

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

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

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

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

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

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**2. Critical accounting estimates and areas of judgment**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**3. Income from donations and capital grants**

	<b>Restricted funds 2021 £</b>	<b>Restricted fixed asset funds 2021 £</b>	<b>Total funds 2021 £</b>	<i>Total funds 2020 £</i>
Donations	9,212	-	<b>9,212</b>	22,297
Capital Grants	-	886,088	<b>886,088</b>	1,482,968
Grants	-	31,304	<b>31,304</b>	186,867
<b>Total 2021</b>	<b>9,212</b>	<b>917,392</b>	<b>926,604</b>	<b>1,692,132</b>
<i>Total 2020</i>	<i>22,297</i>	<i>1,669,835</i>	<i>1,692,132</i>	

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**4. Funding for the Trust's educational activities**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	4,791,803	<b>4,791,803</b>	4,476,409
Other DfE/ESFA grants:				
Pupil Premium	-	241,173	<b>241,173</b>	222,843
Universal Infant Free School Meals (UIFSM)	-	67,341	<b>67,341</b>	-
PE and Sports Grant	-	75,720	<b>75,720</b>	-
Rates Reclaim	-	222	<b>222</b>	14,205
Other DfE / ESFA Grant Income	-	250,335	<b>250,335</b>	412,503
	-	-	<b>5,426,594</b>	5,125,960
<b>Other Government grants</b>				
Local Authority - SEN	-	182,584	<b>182,584</b>	174,159
Local Authority - Early Years	-	158,009	<b>158,009</b>	-
Local Authority - Other	-	30,450	<b>30,450</b>	268,066
	-	371,043	<b>371,043</b>	442,225
<b>Other income from the Trust's educational operations</b>	51,650	80,327	<b>131,977</b>	150,128
<b>COVID-19 additional funding (DfE/ESFA)</b>				
Catch-up Premium	-	82,700	<b>82,700</b>	-
Other DfE/ESFA COVID-19 funding	-	91,708	<b>91,708</b>	18,856
	-	174,408	<b>174,408</b>	18,856
<b>Total 2021</b>	<b>51,650</b>	<b>6,052,372</b>	<b>6,104,022</b>	<b>5,737,169</b>
<i>Total 2020</i>	<i>16,380</i>	<i>5,720,789</i>	<i>5,737,169</i>	

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**5. Income from other trading activities**

	<b>Restricted funds 2021 £</b>	<b>Total funds 2021 £</b>	<i>Total funds 2020 £</i>
Catering Income	118,298	<b>118,298</b>	114,286
Lettings Income	5,148	<b>5,148</b>	1,128
Insurance Income	2,486	<b>2,486</b>	13,172
Sale of Goods & Services	204,491	<b>204,491</b>	210,230
<b>Total 2021</b>	<u>330,423</u>	<u><b>330,423</b></u>	<u>338,816</u>
<i>Total 2020</i>	<u>338,816</u>	<u>338,816</u>	

**6. Investment income**

	<b>Unrestricted funds 2021 £</b>	<b>Total funds 2021 £</b>	<i>Total funds 2020 £</i>
Bank interest	-	-	337
<b>Total 2021</b>	<u>-</u>	<u>-</u>	<u>337</u>
<i>Total 2020</i>	<u>337</u>	<u>337</u>	

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**7. Expenditure**

	<b>Staff Costs 2021 £</b>	<b>Premises 2021 £</b>	<b>Other 2021 £</b>	<b>Total 2021 £</b>	<i>Total 2020 £</i>
Educational Activities:					
Direct costs	4,509,628	-	454,181	<b>4,963,809</b>	3,888,013
Allocated support costs	883,557	285,916	569,202	<b>1,738,675</b>	2,517,927
<b>Total 2021</b>	<u>5,393,185</u>	<u>285,916</u>	<u>1,023,383</u>	<u><b>6,702,484</b></u>	<u>6,405,940</u>
<i>Total 2020</i>	<u>5,035,913</u>	<u>315,827</u>	<u>1,054,200</u>	<u>6,405,940</u>	

**8. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2021 £</b>	<b>Support costs 2021 £</b>	<b>Total funds 2021 £</b>	<i>Total funds 2020 £</i>
Educational Activities	4,963,809	1,738,675	<b>6,702,484</b>	6,405,940
<b>Total 2021</b>	<u>4,963,809</u>	<u>1,738,675</u>	<u><b>6,702,484</b></u>	<u>6,405,940</u>
<i>Total 2020</i>	<u>3,888,013</u>	<u>2,517,927</u>	<u>6,405,940</u>	



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**8. Analysis of expenditure by activities (continued)**

**Analysis of direct costs**

	<b>Educational Activities 2021 £</b>	<b>Total funds 2021 £</b>	<i>Total funds 2020 £</i>
Staff costs	4,509,628	<b>4,509,628</b>	3,558,612
Educational Supplies	152,832	<b>152,832</b>	81,639
Examination Fees	38,342	<b>38,342</b>	39,574
Technology Costs	182,851	<b>182,851</b>	141,701
Educational Consultancy	27,743	<b>27,743</b>	16,768
Other costs	52,413	<b>52,413</b>	49,719
<b>Total 2021</b>	<u>4,963,809</u>	<u><b>4,963,809</b></u>	<u>3,888,013</u>
<i>Total 2020</i>	<u>3,888,013</u>	<u>3,888,013</u>	

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**8. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	<b>Educational Activities 2021 £</b>	<b>Total funds 2021 £</b>	<i>Total funds 2020 £</i>
Pension finance costs	62,000	<b>62,000</b>	<i>54,000</i>
Staff costs	883,557	<b>883,557</b>	<i>1,477,301</i>
Depreciation	209,130	<b>209,130</b>	<i>197,864</i>
Educational Supplies	-	-	<i>4,069</i>
Technology Costs	6,706	<b>6,706</b>	<i>-</i>
Staff Expenses	1,905	<b>1,905</b>	<i>-</i>
Other Staff Costs	32,711	<b>32,711</b>	<i>29,734</i>
Other costs	10,858	<b>10,858</b>	<i>124,665</i>
Rates	9,056	<b>9,056</b>	<i>15,017</i>
Energy	118,255	<b>118,255</b>	<i>100,506</i>
Risk Protection Arrangement Fees	29,455	<b>29,455</b>	<i>18,887</i>
Maintenance of Premises	45,236	<b>45,236</b>	<i>35,147</i>
Cleaning and Caretaking	32,641	<b>32,641</b>	<i>96,576</i>
Operating Leases	3,629	<b>3,629</b>	<i>-</i>
Transport	70,363	<b>70,363</b>	<i>68,249</i>
Catering	94,092	<b>94,092</b>	<i>201,382</i>
Other Premises Costs	47,644	<b>47,644</b>	<i>49,694</i>
Legal and Professional	65,683	<b>65,683</b>	<i>23,424</i>
Auditor Costs and Governance	15,754	<b>15,754</b>	<i>21,412</i>
<b>Total 2021</b>	<b>1,738,675</b>	<b>1,738,675</b>	<i>2,517,927</i>
<i>Total 2020</i>	<i>2,517,927</i>	<i>2,517,927</i>	

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**9. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Operating lease rentals	31,539	63,372
Depreciation of tangible fixed assets	209,130	197,864
Fees paid to auditors for:		
- audit	10,400	9,800
- other services	5,100	3,900
	<u>31,539</u>	<u>63,372</u>

**10. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	3,936,219	3,666,890
Social security costs	339,976	318,720
Pension costs	1,112,447	1,041,486
	<u>5,388,642</u>	<u>5,027,096</u>
Agency staff costs	-	5,523
Apprenticeship Levy	4,543	3,294
	<u>5,393,185</u>	<u>5,035,913</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**10. Staff (continued)**

**b. Staff numbers**

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

	<b>2021</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>
Teachers	<b>67</b>	<b>60</b>
Administration and support	<b>108</b>	<b>104</b>
Management	<b>7</b>	<b>8</b>
	<u><b>182</b></u>	<u><b>172</b></u>

The average headcount expressed as full-time equivalents was:

	<b>2021</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>
Total	<b>138</b>	<b>132</b>

**c. Higher paid staff**

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

	<b>2021</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>
In the band £60,001 - £70,000	<b>3</b>	<b>2</b>
In the band £80,001 - £90,000	<b>-</b>	<b>1</b>
In the band £90,001 - £100,000	<b>1</b>	<b>-</b>

**d. Key management personnel**

The key management personnel of the Trust comprise the Directors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Trust was £586,554 (2020 £618,679).

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**11. Central services**

The 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 Trust charges for these services on the following basis:

- Formula based on pupil numbers

The actual amounts charged during the year were as follows:

	2021	2020
	£	£
Lacon Child School	85,108	73,169
Clee Hill Community Academy	33,814	39,045
Cleobury Mortimer Primary School	48,520	67,627
Stottesdon C of E Primary School	29,774	34,236
<b>Total</b>	<b>197,216</b>	<b>214,077</b>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**12. Directors' remuneration and expenses**

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

		2021	2020
		£	£
D Reynolds (chief executive)	Remuneration	90,000 -	80,000 -
		95,000	85,000
	Pension contributions paid	20,000 -	20,000 -
		25,000	25,000

During the year ended 31 August 2021, no Director expenses have been incurred (2020 - £NIL).

**13. Directors' and Officers' insurance**

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

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**14. Tangible fixed assets**

	Long-term leasehold property £	Assets under construction £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>						
At 1 September 2020	17,832,613	-	146,547	235,563	15,663	18,230,386
Additions	101,129	1,434,764	17,222	34,470	-	1,587,585
Disposals	(4,349)	-	-	-	(15,663)	(20,012)
At 31 August 2021	<u>17,929,393</u>	<u>1,434,764</u>	<u>163,769</u>	<u>270,033</u>	<u>-</u>	<u>19,797,959</u>
<b>Depreciation</b>						
At 1 September 2020	827,802	-	40,947	209,526	7,863	1,086,138
Charge for the year	153,558	-	26,489	29,083	-	209,130
On disposals	(33)	-	-	-	(7,863)	(7,896)
At 31 August 2021	<u>981,327</u>	<u>-</u>	<u>67,436</u>	<u>238,609</u>	<u>-</u>	<u>1,287,372</u>
<b>Net book value</b>						
At 31 August 2021	<u>16,948,066</u>	<u>1,434,764</u>	<u>96,333</u>	<u>31,424</u>	<u>-</u>	<u>18,510,587</u>
At 31 August 2020	<u>17,004,811</u>	<u>-</u>	<u>105,600</u>	<u>26,037</u>	<u>7,800</u>	<u>17,144,248</u>

**15. Stocks**

	2021 £	2020 £
Stock	<u>1,000</u>	<u>5,742</u>

Included in the above stock is catering stock stored at two of the schools.

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**16. Debtors**

	2021 £	2020 £
<b>Due within one year</b>		
Trade debtors	33,440	18,290
Other debtors	1,375,678	1,342,606
Prepayments and accrued income	110,154	153,842
	1,519,272	1,514,738

**17. Creditors: Amounts falling due within one year**

	2021 £	2020 £
Trade creditors	553,804	62,862
Other taxation and social security	78,813	78,153
Other creditors	356	2,101
Accruals and deferred income	175,272	308,869
	808,245	451,985

	2021 £	2020 £
<b>Deferred Income</b>		
Deferred income at 1 September 2020	44,667	38,599
Resources deferred during the year	32,003	44,667
Amounts released from previous periods	(44,667)	(38,599)
	32,003	44,667

Deferred income relates to trip fees received in advance and income received to fund specific items relating to the 2021/2022 year end.

**18. Creditors: Amounts falling due after more than one year**

	2021 £	2020 £
Other loans	216,843	-



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**NOTES TO THE FINANCIAL STATEMENTS**  
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**18. Creditors: Amounts falling due after more than one year (continued)**

<b>2021</b>	<b>2020</b>
<b>£</b>	<b>£</b>

Included within other loans are 2 interest free salix loans amounting to £110,519. These loans are repayable over 8 years. Also included within other loans is a CIF loan of £106,324. This loan is repayable over 10 years with an interest rate of 1.49% applicable.

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**19. Statement of funds**

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
<b>Unrestricted funds</b>						
<b>Designated funds</b>						
Lacon Childe School - Sinking fund	18,830	-	(13,830)	-	-	5,000
Cleobury Mortimer	500	-	(500)	-	-	-
Clee Hill	1,000	-	(1,000)	-	-	-
Lacon Childe School curriculum funds	-	45,650	-	-	-	45,650
Lacon Childe School - Hall project	-	6,000	-	-	-	6,000
	<b>20,330</b>	<b>51,650</b>	<b>(15,330)</b>	<b>-</b>	<b>-</b>	<b>56,650</b>
<b>General funds</b>						
General Funds - all funds	337	-	(337)	-	-	-
<b>Total Unrestricted funds</b>	<b>20,667</b>	<b>51,650</b>	<b>(15,667)</b>	<b>-</b>	<b>-</b>	<b>56,650</b>
<b>Restricted general funds</b>						
General Annual Grant	-	4,791,803	(4,791,803)	-	-	-
Pupil Premium	-	241,173	(241,173)	-	-	-
Other Grants	146,041	1,359,031	(1,175,711)	-	-	329,361
Pension reserve	(3,631,000)	-	(269,000)	-	(293,000)	(4,193,000)
	<b>(3,484,959)</b>	<b>6,392,007</b>	<b>(6,477,687)</b>	<b>-</b>	<b>(293,000)</b>	<b>(3,863,639)</b>

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**19. Statement of funds (continued)**

**Restricted fixed asset funds**

Restricted Funds	17,144,248	31,304	(209,130)	1,544,165	-	18,510,587
Unspent capital monies	1,482,968	886,088	-	(1,544,165)	-	824,891
	<u>18,627,216</u>	<u>917,392</u>	<u>(209,130)</u>	<u>-</u>	<u>-</u>	<u>19,335,478</u>
<b>Total Restricted funds</b>	<u>15,142,257</u>	<u>7,309,399</u>	<u>(6,686,817)</u>	<u>-</u>	<u>(293,000)</u>	<u>15,471,839</u>
<b>Total funds</b>	<u><u>15,162,924</u></u>	<u><u>7,361,049</u></u>	<u><u>(6,702,484)</u></u>	<u><u>-</u></u>	<u><u>(293,000)</u></u>	<u><u>15,528,489</u></u>

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 funds represents specific support programs for transition and KS4 catchup.

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2021.

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**19. Statement of funds (continued)**

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

	<i>Balance at 1 September 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2020 £</i>
<b>Designated funds</b>						
Lacon Childe School - Sinking fund	58,950	14,880	-	(55,000)	-	18,830
Stottesdon C of E Primary - Hall Project	29,000	-	-	(29,000)	-	-
Stottesdon C of E Primary - Lottery Grant	10,000	-	-	(10,000)	-	-
Stottesdon C of E Primary - Tesco Grant	1,000	-	-	(1,000)	-	-
Cleobury Mortimer	-	500	-	-	-	500
Clee Hill	-	1,000	-	-	-	1,000
	<u>98,950</u>	<u>16,380</u>	<u>-</u>	<u>(95,000)</u>	<u>-</u>	<u>20,330</u>
<b>General funds</b>						
General Funds - all funds	-	337	-	-	-	337
<b>Total Unrestricted funds</b>	<u>98,950</u>	<u>16,717</u>	<u>-</u>	<u>(95,000)</u>	<u>-</u>	<u>20,667</u>
<b>Restricted general funds</b>						
General Annual Grant	-	4,476,409	(4,476,409)	-	-	-
Pupil Premium	-	222,843	(222,843)	-	-	-
Other Grants	224,138	1,382,650	(1,230,824)	(229,923)	-	146,041
Pension reserve	(3,169,000)	-	(278,000)	-	(184,000)	(3,631,000)

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**19. Statement of funds (continued)**

	<i>Balance at 1 September 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2020 £</i>
	<u>(2,944,862)</u>	<u>6,081,902</u>	<u>(6,208,076)</u>	<u>(229,923)</u>	<u>(184,000)</u>	<u>(3,484,959)</u>
<b>Restricted fixed asset funds</b>						
Restricted Funds	16,830,322	186,867	(197,864)	324,923	-	17,144,248
Unspent capital monies	-	1,482,968	-	-	-	1,482,968
	<u>16,830,322</u>	<u>1,669,835</u>	<u>(197,864)</u>	<u>324,923</u>	<u>-</u>	<u>18,627,216</u>
<b>Total Restricted funds</b>	<u>13,885,460</u>	<u>7,751,737</u>	<u>(6,405,940)</u>	<u>95,000</u>	<u>(184,000)</u>	<u>15,142,257</u>
<b>Total funds</b>	<u><u>13,984,410</u></u>	<u><u>7,768,454</u></u>	<u><u>(6,405,940)</u></u>	<u><u>-</u></u>	<u><u>(184,000)</u></u>	<u><u>15,162,924</u></u>

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

**Total funds analysis by school**

Fund balances at 31 August 2021 were allocated as follows:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Lacon Childe School	<b>75,511</b>	<b>(156,375)</b>
Clee Hill Community Academy	<b>62,488</b>	<b>37,266</b>
Cleobury Mortimer Primary School	<b>183,991</b>	<b>160,471</b>
Stottesdon C of E Primary School	<b>(170,391)</b>	<b>(160,112)</b>
Multi Academy Trust	<b>234,412</b>	<b>285,458</b>
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	<b>386,011</b>	<b>166,708</b>
Restricted fixed asset fund	<b>19,335,478</b>	<b>18,627,216</b>
Pension reserve	<b>(4,193,000)</b>	<b>(3,631,000)</b>
	<hr/>	<hr/>
<b>Total</b>	<b>15,528,489</b>	<b>15,162,924</b>
	<hr/> <hr/>	<hr/> <hr/>

Stottesdon C of E Primary School are currently showing negative revenue reserves as at 31 August 2021. There is a budgeted and planned contribution from in year future budgets which will return these funds to a surplus.

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**19. Statement of funds (continued)**

**Total cost analysis by academy**

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2021 £	Total 2020 £
Lacon Childe School	2,378,663	472,729	104,582	438,804	<b>3,394,778</b>	3,494,145
Clee Hill Community Academy	528,837	71,824	20,263	97,159	<b>718,083</b>	748,241
Cleobury Mortimer Primary School	922,750	102,180	6,441	150,080	<b>1,181,451</b>	1,237,866
Stottesdon C of E Primary School	472,378	63,953	21,546	97,831	<b>655,708</b>	685,965
Multi Academy Trust	207,000	172,871	-	163,463	<b>543,334</b>	41,859
<b>Trust</b>	<b>4,509,628</b>	<b>883,557</b>	<b>152,832</b>	<b>947,337</b>	<b>6,493,354</b>	<b>6,208,076</b>

**20. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	18,510,587	<b>18,510,587</b>
Current assets	56,650	1,354,449	824,891	<b>2,235,990</b>
Creditors due within one year	-	(808,245)	-	<b>(808,245)</b>
Creditors due in more than one year	-	(216,843)	-	<b>(216,843)</b>
Provisions for liabilities and charges	-	(4,193,000)	-	<b>(4,193,000)</b>
<b>Total</b>	<b>56,650</b>	<b>(3,863,639)</b>	<b>19,335,478</b>	<b>15,528,489</b>

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**20. Analysis of net assets between funds (continued)**

**Analysis of net assets between funds - prior year**

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Restricted fixed asset funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	-	-	17,144,248	17,144,248
Current assets	20,667	598,026	1,482,968	2,101,661
Creditors due within one year	-	(451,985)	-	(451,985)
Provisions for liabilities and charges	-	(3,631,000)	-	(3,631,000)
<b>Total</b>	<u>20,667</u>	<u>(3,484,959)</u>	<u>18,627,216</u>	<u>15,162,924</u>

**21. Reconciliation of net income to net cash flow from operating activities**

	2021 £	2020 £
Net income for the year (as per Statement of financial activities)	<u>658,565</u>	<u>1,362,514</u>
<b>Adjustments for:</b>		
Depreciation	209,130	197,863
Defined benefit pension scheme finance cost	269,000	278,000
Decrease/(increase) in stocks	4,742	(5,742)
Increase in debtors	(4,534)	(1,288,038)
Increase in creditors	573,103	35,479
<b>Net cash provided by operating activities</b>	<u>1,710,006</u>	<u>580,076</u>



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**22. Cash flows from investing activities**

	2021 £	2020 £
Proceeds from the sale of tangible fixed assets	6,000	-
Purchase of tangible fixed assets	(1,587,585)	(511,789)
Loss on the disposal of tangible fixed assets	6,116	-
<b>Net cash used in investing activities</b>	<b>(1,575,469)</b>	<b>(511,789)</b>

**23. Analysis of cash and cash equivalents**

	2021 £	2020 £
Cash in hand and at bank	715,718	581,181
<b>Total cash and cash equivalents</b>	<b>715,718</b>	<b>581,181</b>

**24. Analysis of changes in net debt**

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	581,181	134,537	715,718
Debt due after 1 year	-	(216,843)	(216,843)
	<b>581,181</b>	<b>(82,306)</b>	<b>498,875</b>

**25. Pension commitments**

The 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 Mercer. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

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

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

**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 full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

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

**Valuation of the Teachers' Pension Scheme**

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

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

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

The employer's pension costs paid to TPS in the year amounted to £602,019 (2020 - £543,388).

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 Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Trust has set out above the information available on the scheme.

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**25. Pension commitments (continued)**

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £370,000 (2020 - £292,000), of which employer's contributions totalled £300,000 (2020 - £230,000) and employees' contributions totalled £ 70,000 (2020 - £62,000). The agreed contribution rates for future years are 16.2 - 19.9 per cent for employers and 5.5 - 8.5 per cent for employees.

As described in note the LGPS obligation relates to the employees of the Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Trust at the balance sheet date.

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

**Principal actuarial assumptions**

	<b>2021</b>	<b>2020</b>
	%	%
Rate of increase in salaries	<b>4.03</b>	3.65
Rate of increase for pensions in payment/inflation	<b>2.88</b>	2.50
Discount rate for scheme liabilities	<b>1.70</b>	1.80
Inflation assumption (CPI)	<b>2.78</b>	2.40

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

	<b>2021</b>	<b>2020</b>
	Years	Years
<i>Retiring today</i>		
Males	<b>23</b>	22.9
Females	<b>25.1</b>	25
<i>Retiring in 20 years</i>		
Males	<b>24.3</b>	24.2
Females	<b>26.7</b>	26.6

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**25. Pension commitments (continued)**

**Sensitivity analysis**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Discount rate +0.1%	4,062	3,522
Mortality assumption - 1 year increase	4,401	3,785
CPI rate +0.1%	4,331	3,743
Pay growth +0.1%	4,206	3,643

**Share of scheme assets**

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

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Equities	1,168,000	827,000
Other bonds	453,000	377,000
Other	555,000	412,000
Property	81,000	72,000
Cash and other liquid assets	39,000	30,000
<b>Total market value of assets</b>	<b>2,296,000</b>	<b>1,718,000</b>

The actual return on scheme assets was £282,000 (2020 - £17,000).

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

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Current service cost	(499,000)	(464,000)
Past service cost	-	(8,000)
Interest income	33,000	27,000
Interest cost	(95,000)	(81,000)
Employers contributions	300,000	255,000
Administrative expenses	(8,000)	(7,000)
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>(269,000)</b>	<b>(278,000)</b>

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**25. Pension commitments (continued)**

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

	2021 £	2020 £
<b>At 1 September</b>	<b>5,349,000</b>	<b>4,516,000</b>
Current service cost	499,000	464,000
Interest cost	95,000	81,000
Employee contributions	70,000	63,000
Actuarial losses	542,000	281,000
Benefits paid	(66,000)	(64,000)
Past service costs	-	8,000
<b>At 31 August</b>	<b>6,489,000</b>	<b>5,349,000</b>

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

	2021 £	2020 £
<b>At 1 September</b>	<b>1,718,000</b>	<b>1,347,000</b>
Interest income	33,000	27,000
Actuarial gains	249,000	97,000
Employer contributions	300,000	255,000
Employee contributions	70,000	63,000
Benefits paid	(66,000)	(64,000)
Administration expenses	(8,000)	(7,000)
<b>At 31 August</b>	<b>2,296,000</b>	<b>1,718,000</b>

**26. Operating lease commitments**

At 31 August 2021 the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	37,102	44,641
Later than 1 year and not later than 5 years	11,842	28,849
	<b>48,944</b>	<b>73,490</b>

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**27. Members' liability**

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

**28. Related party transactions**

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 Academies Financial 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 year the Son of the Trust Business Manager and Company Secretary was remunerated £37,773 (2020: £35,453) for employment within the Trust. No amounts were outstanding at the year end.

During the year the Spouse of the Trust Executive Officer and Accounting Officer was remunerated £7,819 (2020: £8,931) for employment within the Trust. No amounts were outstanding at year end.

During the year the Daughter of the Trust Executive Officer and Accounting Officer was remunerated £7,547 (2020: £Nil) for employment within the Trust. No amounts were outstanding at year end.

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