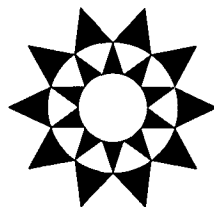
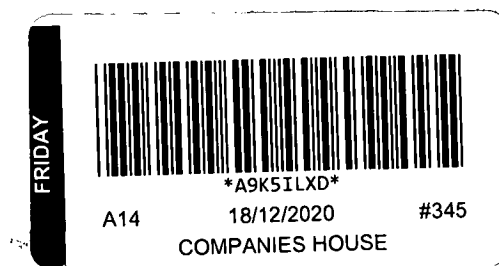


CENTRAL SHROPSHIRE ACADEMY TRUST

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**



WR
Partners
Protecting your future.

CENTRAL SHROPSHIRE ACADEMY TRUST
(A company limited by guarantee)

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CENTRAL SHROPSHIRE ACADEMY TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	W Dowell S Holgate J Walton
Trustees	C Benson (resigned 18 October 2020) J Bryans (appointed 5 June 2020) M Cribb OBE M Kilby D Pender (appointed 5 June 2020) C Perry (resigned 16 July 2020) C Mathews M Mortimer (resigned 21 August 2020) W Strachan (appointed 5 June 2020) A Sutton M C Wigley (appointed 16 July 2020) J Woodall
Company registered number	11552742
Company name	Central Shropshire Academy Trust
Principal and registered office	Mary Webb School and Science College Bogey Lane Pontesbury Shrewsbury Shropshire SY5 0TG
Chief executive officer	Mr P Johnstone
Senior management team	Pete Johnstone, Executive Principal, Belvidere School Headteacher (to 31 December 2019) Officer Alan Doust, Meole Brace Headteacher, Meole Brace School Peter Lowe-Werrell, Mary Webb Headteacher, Mary Webb School Emma Stevenson, Belvidere Headteacher, Belvidere School (Appointed 1 January 2020) Gwyneth Evans, CSAT Finance Manager (Appointed 30 September 2019) Rob Carlyle, CSAT Finance Manager (Resigned 30 September 2019)
Independent auditors	WR Partners Chartered Accountants Belmont House Shrewsbury Business Park Shrewsbury Shropshire SY2 6LG

CENTRAL SHROPSHIRE ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the period 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

Structure, governance and management

a. Constitution

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

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

The charitable company is known as Central Shropshire Academy Trust, (also referred to as the Trust or CSAT).

The Trustees of Central Shropshire Academy Trust are also the directors of the charitable company for the purposes of company law.

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

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 Trustees

The management of the Trust is the responsibility of the Trustees who are elected and co opted under the terms of the Trust deed.

d. Policies adopted for the induction and training of Trustees

There have been three resignations and four appointments of Trustees since the date of incorporation in September 2018. Induction involves an initial meeting with the Chair of Trustees and Executive Principal to establish a bespoke induction, tailored to the skills and experience of the newly appointed Trustee. The core elements of the induction include:

- Introduction to all Trustees
- Introduction meetings with Key CSAT staff including the Executive Principal and Chief Finance Officer.
- Introductions to headteachers of all Academies within CSAT and tours of the sites.
- Provision of recent minutes of Trust Board Meetings and all committees
- Provision of key documents, including (but not limited to): Academies' Financial Handbook, DFE Governance Handbook, Improvement Plans, Budgets, Trust Financial Procedures Manual
- Safeguarding information for the trust, including the most recent version of Keeping Children Safe in Education.

All inductions of Trustees since March 2020 have been undertaken in line with Covid restriction regulations.

CENTRAL SHROPSHIRE ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

e. Organisational structure

The board of Trustees meets four times per year, as do each of the three main committees: Standards; Personnel; and Finance. Each School has a Local Governing Body appointed as a committee by the Trust. The Local Governing Bodies comprise the headteacher and members drawn from: parents/carers; staff; co opted Governors.

The minutes of all three of the Trust committees are received at the meetings of the Trust Board, along with a verbal report from the chair of each committee about the meetings held.

Each of the three Local Governing Bodies has a link Trustee who is invited to meetings and other in school events. In addition, the Chair and Vice Chair of Trustees meet with the Chairs and Vice Chairs of the three Local Governing Bodies four times per year. Relationships and communications between the three local Governing Bodies and the Trust Board are positive and remain a priority for further development.

Responsibilities of Trustees and Local Governing Bodies are set out in the Scheme of Delegation.

Operational management of the Trust is delegated to the Executive Principal by the Trust Board, and the CFO reports directly to the Executive Principal. The Executive Principal fulfils the role of Accounting Officer as required by the Academies' Financial Handbook.

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

The pay of the Executive Principal and Chief Finance Officer are set by the Trust Board and reviewed annually.

The Pay of Headteachers and senior Leaders in the academies is set by the Local Governing Bodies, following annual appraisal of those staff. Headteachers' Appraisals are carried out by Local Governing Bodies with representation from the Trust. The appraisal of other school based senior leaders is carried out by the Headteachers.

All Teachers' pay is currently linked to pay ranges in line with the School Teachers' Pay and Conditions document, and the pay of non teaching staff is linked to the Shropshire NJC pay scales.

CENTRAL SHROPSHIRE ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

g. Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	2
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time £

Total cost of facility time	-
Total pay bill	12,916,957
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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h. Related parties and other connected charities and organisations

There are no relationships with related parties or any other connected charities and organisations.

i. Engagement with employees (including disabled persons)

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management.

The Trust has implemented a number of detailed policies in relation to all aspects of personnel matters.

In accordance with the Trust's equal opportunities policy, the Trust has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the Trust's offices.

j. Engagement with suppliers, customers and others in a business relationship with the Trust

The Trust fosters good working relationships with suppliers and customers and others in a business relationship with the Trust, ensuring proper financial procedures are followed in relation to payment for goods and services and tendering for services as well as ensuring services provided to customers are delivered in line with agreed contracts.

CENTRAL SHROPSHIRE ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities

a. Objects and aims

The Trust's objects, as stated in the Memorandum and Articles of Association are as follows: to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum.

"Working together to maximise the life chances of young people"

Vision and values

At CSAT we believe that effective schools are firmly rooted in their local communities. Each CSAT School is a unique learning institution with its own strengths and its own identity. We celebrate and value the diversity and autonomy of our schools, while seeking to maximise the benefits of collaboration at every opportunity. All of our schools strive to ensure that learning is inspiring and optimistic, that it opens minds and that it widens horizons.

CSAT schools share the inclusive philosophy that at the heart of all learning is an understanding of the value and worth of each person. We all recognise that academic success will be greatest where organisations ensure high levels of emotional intelligence, creativity and opportunity, and our vision is rooted in our desire to instil in every one of our students a lifelong love of learning.

Aims

For the young people in the communities our schools serve, we aim to ensure that:

- Every school is a centre of excellence that values each member of the school community equally.
- Every school, through its distinctive identity, supports and promotes the values of the trust.
- Every school is led and managed ethically and responsibly, and is financially sustainable.
- Every school employs appropriately qualified staff who are encouraged and supported to develop professionally.
- Every school promotes mutual support and collaborative working to the benefit of all students, staff, governors and trustees of the trust.
- All schools are adequately resourced, and are challenged and supported to use their resources efficiently to maximise the achievement of all students.
- All our schools operate with an inclusive, comprehensive ethos, in respect of admissions, and all aspects of the education they deliver.
- All our schools promote excellence in all aspects of every student's education.
- All our schools place a high value on caring for and supporting every member of their school communities.
- All members of the trust's communities are visible and that equal opportunity is a reality regardless of ethnicity, ability, gender, sexual orientation or socio-economic background.
- The trust is open to opportunities to expand membership to the benefit of students within the Trust and those from other schools.

b. Objectives, strategies and activities

During the first full year after conversion we have focused on embedding governance and Trust procedures. We have sought to strengthen collaboration between schools to improve the education we provide to all of our students and to strengthen and clarify the operational relationship between the Trust and the Local Governing Bodies.

CENTRAL SHROPSHIRE ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

c. Public benefit

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

Strategic report

Achievements and performance

a. Key performance indicators

Belvidere School

Published Admission Number 840, number of students on Roll 835. We remain a popular and oversubscribed school with local families.

Our Progress 8 score for 2019 (Unvalidated Data) was +0.03, showing that students made slightly better than average progress when compared to national progress. In 2020 there are no published performance data, and Key Stage 4 outcomes were based on Centre Assessed Grades as a result of the cancellation of the exams due to the Covid-19 pandemic. The overwhelming majority of our students received the grades they needed to proceed to their chosen course of study post-16.

Our new Headteacher, Emma Stevenson, joined the school on 1st January 2020 and, as well as leading the school through the challenges of the pandemic, has been reviewing the leadership structure of the school along with many operational systems of the school. A new Self Evaluation and School Improvement Plan have been constructed for the next phase of the school's development.

Mary Webb School and Science College

Published Admission Number 604, number of students on Roll 603. Numbers remain healthy and we expect to be full in all year groups within the next 2 3 years.

Our Progress 8 score for 2019 (Unvalidated Data) was +0.07, showing that students made slightly better than average progress when compared to national progress. In 2020 there are no published performance data, and Key Stage 4 outcomes were based on Centre Assessed Grades as a result of the cancellation of the exams due to the Covid-19 pandemic. The overwhelming majority of our students received the grades they needed to proceed to their chosen course of study post-16.

The headteacher, Pete Lowe-Werrell has led the school through a leadership restructure and a review of the curriculum is underway.

Meole Brace School

Published Admission Number 1289, number of students on Roll 1287. We remain a popular and oversubscribed school with local families. In September 2019 and in September 2020 we have admitted an additional 29 students above our PAN to address a local need.

A new teaching block, comprising five classrooms is due to be constructed to address the extra pressure on numbers, with a planned opening date of September 2021.

CENTRAL SHROPSHIRE ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

We received approval for two bids under the Condition Improvement Funding process and these will facilitate boiler replacement and improved security fencing.

Our Progress 8 score for 2019 (Unvalidated Data) was -0.37, showing that some of our students made below average progress when compared to national progress. Our internal progress data for Year 11 in March 2020 indicated that improvements in the progress data were to be expected. Due to the cancellation of the GCSE exams in the Summer of 2020 we will not have any national data to evidence this improvement in progress until 2021 at the earliest.

A new Deputy Headteacher, was appointed in April 2020 and has added to the Senior Leadership Team's capacity. A review of the curriculum has been undertaken and changes are planned for introduction in September 2021.

b. Going concern

After making appropriate enquiries, the board of Trustees has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

c. Promoting the success of the company

Trustees are mindful of the impact of decisions and regular board and committee meetings allow decisions to be thoroughly considered. Trustees consider the rationale for the decision and the likely impact on stakeholders, in both the short term and the long term, taking account of their views:

- The Trust Board considers the important work of the schools' Local Governing Bodies, considering their interests by sharing governance information and by regular meeting between the Chair and Vice Chair of the Trust with the Chairs and vice chairs of Local Governing Bodies, and by hosting an annual Governance Event attended by all Trustees and Governors. In the latter event, for example, consultation took place on the Trust's Vision, Aims and Values statement, Development Priorities and the Governance Manual and Scheme of Delegation document.
- The Standards committee addresses issues which have direct implications for our students and their parents/carers. This includes key aspects of curriculum delivery and collaborative developments across the trust's schools.
- The Personnel Committee addresses policies and issues related to the Trust's employees. This includes policies for example relating to the welfare of staff and their employment rights in addition to the terms and conditions of their employment. Centralisation of employment policies and procedures, including those related to equality legislation allows the Trustees to ensure fair treatment of staff.
- The Finance committee ensures the financial viability of the Trust and ensures that forward planning is robust and realistic, in particular by regularly reviewing the three-year budget forecast, risk management procedures and financial procedures of the Trust.
- Our schools all enjoy strong reputations in their local community and Trustees seek to maintain this reputation for high standards, keeping this vital aspect in mind in all decision-making activity.

CENTRAL SHROPSHIRE ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Financial review

The Trust has achieved an in year revenue deficit of £163,687 (excluding pensions reserve and fixed asset movement). Total net movement in funds was a deficit of £999,861 which includes an actuarial loss on the pension scheme of £345,000.

Total assets excluding the defined benefit pension scheme liability was £36,637,856 which is a slight decrease from the prior year despite net current assets increasing to £1,013,857.

In the year, despite the impact of COVID-10 the principal sources of funding have continued to be received and expenditure has been managed appropriately against this. A small amount of additional funding was received in the year in order to support the additional costs involved in reopening the schools after lockdown.

a. Reserves policy

The Trust's Reserves policy is stated within the Trust Financial Procedures manual. Trustees are mindful that GAG funding received by the Trust is intended for the benefit of those pupils being educated by the Trust at that time. That said, a workable operating surplus is necessary to ensure that schools can meet the demands of day to day budgeting fluctuations and be prepared for emergency capital needs. No minimum value of surplus, either designated to each school or held by the trust as an aggregate sum, is currently stated. Academies are expected to build such reserves into their budget planning, and likewise to set budget plans to utilise reserves for the benefits of current pupils as required.

The Trustees review the reserve balances annually for each academy, taking into account uncertainty over future funding, and spending plans for future developments.

Total reserves as at 31 August 2020 were £28,267,856 (2019: £29,267,717). The total reserves, excluding the restricted fixed asset fund and pension reserve at 31 August 2020 was £808,414 (2019: £972,101)

The free reserves (unrestricted less designated) are £238 (2019: £173).

b. Investment policy

Currently no investment of surplus balances is taking place. We are looking at ways that such funds can be invested in short term mechanisms that would maximise return without significant risk, and would allow access to sums invested should it be necessary.

CENTRAL SHROPSHIRE ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

c. Principal risks and uncertainties

Major financial risks to the trust are as follows:

- Income – the vast majority of Trust income is from the ESFA in the form of the General Annual Grant (GAG) funding, in addition to other additional funds such as Pupil Premium, Teachers' Pay and Teachers' Pensions Grant. These are subject to variation due to Government spending priorities and education policy.
- Pupil Numbers – Projections are currently that all three schools will be full for the foreseeable future. Our funding via the GAG is dependent on pupil numbers.
- Fraud and mismanagement of funds – we comply with the Academies' Financial Handbook and our Trust Financial Procedures Manual to mitigate the risks of fraud and mismanagement of funds. We receive termly audit reports from our auditors and all recommendations are actioned without delay. Fraud is a standing agenda item of the Finance Committee.

The Trust maintains a risk register which lists measures in place to mitigate against each identified risk.

Fundraising

The Trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

CENTRAL SHROPSHIRE ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Streamlined energy and carbon reporting

UK Greenhouse gas emissions and energy use data for the period 1 September 2019 to 31 August 2020

Energy consumption used to calculate emissions (kWh)	2,093,822
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Scope 1 emissions in metric tonnes CO₂e

Gas consumption	245.90
Owned transport – minibuses	3.25
Total Scope 1	249.15

Scope 2 emissions in metric tonnes CO₂e

Purchased electricity	173.14
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Scope 3 emissions in metric tonnes CO₂e

Business travel in employee owned vehicles	0.25
Total gross emissions in metric tonnes CO ₂ e	422.54
Intensity ratio tonnes CO ₂ e per pupil	0.16

Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

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

Measures taken to improve energy efficiency

We have replaced lights with LED lights in 2019/20 and this programme of work continues. We have increased the use of video conferencing for meetings to reduce the need for travel.

Plans for future periods

Although the Trust is a relatively new MAT, opportunities for growth by allowing other schools or academies to join CSAT will be considered carefully and progressed if they are believed to be to the benefit of all students. We will continue to invest in high quality teaching and learning in all CSAT academies and will seek to strengthen our Trust by providing a first class education for all our students.

CENTRAL SHROPSHIRE ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 10/12/2020 and signed on its behalf by:

C. Mathews

Chris Mathews
Chair of Trustees

CENTRAL SHROPSHIRE ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

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

The board of Trustees has delegated the day-to-day responsibility to the Executive Principal, 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 Trust and the Secretary of State for Education. The Accounting Officer is also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of Trustees has formally met 14 times during the year.

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

Trustee	Meetings attended	Out of a possible
C Benson	12	14
J Bryans	3	3
M Cribb OBE	13	14
M Kilby	12	14
D Pender	3	3
C Perry	14	14
C Mathews	13	14
M Mortimer	7	14
W Strachan	3	3
A Sutton	2	14
M C Wigley	0	0
J Woodall	12	14

The Trust Board has overall responsibility for the quality of education across the Trust as well as securing sound financial management. Responsibility is delegated through the Standards, Personnel and Finance committees

CENTRAL SHROPSHIRE ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Finance Committee is a sub-committee of the main board of Trustees. The committee has responsibility for ensuring the requirements of the Academies Financial Handbook are met and that the relevant finance and general purposes policies are in place. Its remit includes monitoring the use of all public funds held within the Trust and providing advice, support and guidance on matters relating to finances and general purposes including health and safety. The Finance Committee satisfies the requirement to have an audit committee directing the Trust's programme of internal scrutiny and reporting to the Board on the adequacy of the trust's financial and other controls and management of risks. The day to day financial management is delegated to the Trust's Accounting Officer and CFO. The Audit Committee requirement is satisfied by the Finance Committee receiving regular reports from an appointed external auditor.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
C Perry	4	4
C Benson	3	4
J Woodall	4	4
M Mortimer	2	4
J Bryans	0	0
W Strachan	1	1
M C Wigley	0	0

Review of value for money

As accounting officer, the Executive Principal 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 Trustees 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:

- Establishing sound financial management systems and processes

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 Trust for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year 1 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.

CENTRAL SHROPSHIRE ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of 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 Trustees has considered the need for a specific internal audit function and has opted for a bought-in internal audit service in line with the AFH 2019/2020.

The Finance Committee considered the output from external audit interim visits, and other compliance visits, in conjunction with the Trust's assessment of risk in confirming the scope of the internal audit work.

The internal auditor's role included performing a range of checks on areas of the Trust's finance systems and controls which included:

- the operations of the systems of controls;
- then proper use of public funds;
- systems, procedures and policies in place; and
- reporting on their findings.

In addition to the internal audit, the external auditors reported to the Finance Committee the results of the interim visits performed during the year, which comprise part of the statutory year end audit; reporting on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

CENTRAL SHROPSHIRE ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

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

- on discharge of the Board of Trustees financial decisions to help the committee consider actions and assess year on year progress
- the work of the external auditors;
- 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 Trustees and signed on their behalf by:

C. Mathews

Chris Mathews
Chair of Trustees
Date: 10/12/20

Pete Johnstone

Pete Johnstone
Accounting Officer

CENTRAL SHROPSHIRE ACADEMY TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Central Shropshire Academy Trust I have considered my responsibility to notify the Trust board of Trustees 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 2019.

I confirm that I and the Academy Trust Board of trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2019.

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



Pete Johnstone
Accounting Officer
Date: 10/12/2020

CENTRAL SHROPSHIRE ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' 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 Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

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

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

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

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

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

C. Mathews

C Mathews
Chair of Trustees
Date: 10/12/2020

CENTRAL SHROPSHIRE ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CENTRAL SHROPSHIRE ACADEMY TRUST**

Opinion

We have audited the financial statements of Central Shropshire Academy Trust (the 'Trust') for the period ended 31 August 2020 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 2019 to 2020 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 2020 and of its incoming resources and application of resources, including its income and expenditure for the period 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 2019 to 2020 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

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

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

CENTRAL SHROPSHIRE ACADEMY TRUST
(A company limited by guarantee)

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report (incorporating the strategic and directors report), other than the financial statements and our Auditors' report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

CENTRAL SHROPSHIRE ACADEMY TRUST
(A company limited by guarantee)

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

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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



Andrew Malpass BA FCA (Senior statutory auditor)

for and on behalf of

WR Partners

Chartered Accountants

Statutory Auditors

Belmont House

Shrewsbury Business Park

Shrewsbury

Shropshire

SY2 6LG

Date:

14 December 2020

CENTRAL SHROPSHIRE ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CENTRAL SHROPSHIRE ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 17 September 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Central Shropshire Academy Trust during the year 1 September 2019 to 31 August 2020 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 Central Shropshire Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Central Shropshire Academy 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 Central Shropshire Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Central Shropshire Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Central Shropshire Academy Trust's funding agreement with the Secretary of State for Education dated 4 September 2018 and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 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.

CENTRAL SHROPSHIRE ACADEMY TRUST
(A company limited by guarantee)

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Andrew Malpass BA FCA (Senior statutory auditor)

for and on behalf of

WR Partners

Chartered Accountants

Statutory Auditors

Belmont House

Shrewsbury Business Park

Shrewsbury

Shropshire

SY2 6LG

Date:

14 December 2020

CENTRAL SHROPSHIRE ACADEMY TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants	3	-	22,603	126,540	149,143	31,767,771
Charitable activities	4	-	15,046,246	-	15,046,246	9,617,108
Other trading activities	5	-	68,719	-	68,719	129,491
Investments	6	65	-	-	65	173
Total income		65	15,137,568	126,540	15,264,173	41,514,543
Expenditure on:						
Charitable activities	7,8	-	15,507,949	411,085	15,919,034	10,649,826
Total expenditure		-	15,507,949	411,085	15,919,034	10,649,826
Net income/(expenditure)		65	(370,381)	(284,545)	(654,861)	30,864,717
Transfers between funds	18	-	(206,371)	206,371	-	-
Net movement in funds before other recognised gains/(losses)		65	(576,752)	(78,174)	(654,861)	30,864,717
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	26	-	(345,000)	-	(345,000)	(1,597,000)
Net movement in funds		65	(921,752)	(78,174)	(999,861)	29,267,717
Reconciliation of funds:						
Total funds brought forward	18	173	(6,640,072)	35,907,616	29,267,717	-
Net movement in funds	18	65	(921,752)	(78,174)	(999,861)	29,267,717
Total funds carried forward		238	(7,561,824)	35,829,442	28,267,856	29,267,717

The Statement of Financial Activities includes all gains and losses recognised in the year. The notes on pages 27 to 53 form part of these financial statements.

CENTRAL SHROPSHIRE ACADEMY TRUST
(A company limited by guarantee)

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	14	35,623,999	35,907,616
		<u>35,623,999</u>	<u>35,907,616</u>
Current assets			
Stocks	15	11,978	7,768
Debtors	16	187,264	268,805
Cash at bank and in hand		1,451,606	1,409,268
		<u>1,650,848</u>	<u>1,685,841</u>
Creditors: amounts falling due within one year	17	(636,991)	(713,740)
Net current assets		<u>1,013,857</u>	<u>972,101</u>
Total assets less current liabilities		<u>36,637,856</u>	<u>36,879,717</u>
Net assets excluding pension liability		<u>36,637,856</u>	<u>36,879,717</u>
Defined benefit pension scheme liability	26	(8,370,000)	(7,612,000)
Total net assets		<u><u>28,267,856</u></u>	<u><u>29,267,717</u></u>

CENTRAL SHROPSHIRE ACADEMY TRUST
(A company limited by guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Funds of the Trust			
Restricted funds:			
Fixed asset funds	18	35,829,442	35,907,616
Restricted income funds	18	808,176	971,928
Restricted funds excluding pension asset	18	36,637,618	36,879,544
Pension reserve	18	(8,370,000)	(7,612,000)
Total restricted funds	18	28,267,618	29,267,544
Unrestricted income funds	18	238	173
Total funds		28,267,856	29,267,717

The financial statements on pages 23 to 53 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

C. Mathews

Chris Mathews
Chair of Trustees
Date: 10/12/2020

The notes on pages 27 to 53 form part of these financial statements.

CENTRAL SHROPSHIRE ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by operating activities	20	50,838	37,511,053
Cash flows from investing activities	22	(8,435)	(36,101,612)
Cash flows from financing activities	21	(65)	(173)
Change in cash and cash equivalents in the year		42,338	1,409,268
Cash and cash equivalents at the beginning of the year		1,409,268	-
Cash and cash equivalents at the end of the year	23, 24	1,451,606	1,409,268

The notes on pages 27 to 53 form part of these financial statements

CENTRAL SHROPSHIRE ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the 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.

After making enquires, the Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. The Trust therefore continues to adopt the going concern basis in preparing its financial statements. The Trustees have also assessed the potential impact on the future operations of the Trust with regard to the Covid-19 outbreak. The Trust is considered to be well positioned given the current environment with no impact on the going concern basis of 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.

CENTRAL SHROPSHIRE ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.3 Income (continued)

- **Donations**

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

- **Other income**

Other income, including the hire of facilities, is recognised in the 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.

CENTRAL SHROPSHIRE ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. Accounting policies (continued)

1.7 Tangible fixed assets

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Depreciation is provided on the following bases:

Long-term leasehold property	- 125 years
Furniture and equipment	- 5 years
Computer equipment	- 3 years

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.

CENTRAL SHROPSHIRE ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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 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 note 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.13 Operating leases

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

CENTRAL SHROPSHIRE ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.14 Pensions

The Trust operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Trust to the fund in respect of the year.

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

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

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

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

1.15 Fund accounting

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

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.

CENTRAL SHROPSHIRE ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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 26, 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 2020. 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.

CENTRAL SHROPSHIRE ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

3. Income from donations and capital grants

	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	22,603	-	22,603	31,572,949
Devolved formula capital grants plus Condition Improvement Funding	-	126,540	126,540	194,822
	<u>22,603</u>	<u>126,540</u>	<u>149,143</u>	<u>31,767,771</u>
<i>Total 2019</i>	<u>(4,509,951)</u>	<u>36,277,722</u>	<u>31,767,771</u>	

4. Funding for the Trust's direct costs - activities

	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
DfE/ESFA grants			
General Annual Grant (GAG)	13,521,124	13,521,124	8,505,608
Other DfE/ESFA Grant Income	62,303	62,303	46,038
Pupil Premium	529,015	529,015	268,582
	<u>14,112,442</u>	<u>14,112,442</u>	<u>8,820,228</u>
Other Government Grants			
Local Authority - SEN	289,076	289,076	195,013
Local Authority - Other Grants	8,307	8,307	15,271
COVID Income	4,462	4,462	-
Rates Reclaim	57,842	57,842	15,463
	<u>359,687</u>	<u>359,687</u>	<u>225,747</u>
Other Income			
Other Income	193,451	193,451	39,932
School Fund	380,666	380,666	531,201
	<u>15,046,246</u>	<u>15,046,246</u>	<u>9,617,108</u>
<i>Total 2019</i>	<u>9,617,108</u>	<u>9,617,108</u>	

CENTRAL SHROPSHIRE ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

4. Funding for the Trust's direct costs - activities (continued)

The funding received for coronavirus exceptional support covers eligible additional costs of £1,220 in relation to PPE, £2,990 in relation to free school meals for eligible children, where those costs were not covered by the national voucher scheme, and £250 in relation to additional cleaning.

5. Income from other trading activities

	Restricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Lettings income	25,047	25,047	25,329
School meals/ catering income	2,918	2,918	83,615
Other income	40,754	40,754	20,547
	<u>68,719</u>	<u>68,719</u>	<u>129,491</u>
<i>Total 2019</i>	<u>129,491</u>	<u>129,491</u>	

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Investment income - local cash	65	65	173
	<u>173</u>	<u>173</u>	
<i>Total 2019</i>	<u>173</u>	<u>173</u>	

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7. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	Total 2019 £
Educational Activities					
Direct costs	11,049,242	-	1,091,949	12,141,191	7,792,782
Allocated support costs	1,869,770	824,348	1,083,725	3,777,843	2,857,044
	<u>12,919,012</u>	<u>824,348</u>	<u>2,175,674</u>	<u>15,919,034</u>	<u>10,649,826</u>
Total 2019	<u>8,159,539</u>	<u>594,281</u>	<u>1,896,006</u>	<u>10,649,826</u>	

8. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Educational activities	<u>12,141,191</u>	<u>3,777,843</u>	<u>15,919,034</u>	<u>10,649,826</u>
Total 2019	<u>7,792,782</u>	<u>2,857,044</u>	<u>10,649,826</u>	

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8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Educational Activities 2020 £	Total funds 2020 £	Total funds 2019 £
Staff costs	11,049,242	11,049,242	6,710,889
Educational Supplies	748,840	748,840	731,290
Examination Fees	193,071	193,071	191,458
Technology Costs	148,971	148,971	136,667
Other costs	1,067	1,067	22,478
	<u>12,141,191</u>	<u>12,141,191</u>	<u>7,792,782</u>
<i>Total 2019</i>	<u>7,792,782</u>	<u>7,792,782</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
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8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational Activities 2020 £	Total funds 2020 £	Total funds 2019 £
Staff costs	1,869,770	1,869,770	1,448,650
Depreciation	294,404	294,404	193,996
Other Staff Costs	167,147	167,147	188,434
Other costs	277,572	277,572	250,226
Rates	50,250	50,250	35,216
Energy	170,510	170,510	116,927
Risk Protection Arrangement Fees	187,451	187,451	126,389
Maintenance of Premises	119,248	119,248	137,247
Cleaning and Caretaking	309,299	309,299	186,343
Operating Leases	12,390	12,390	1,682
Security	5,393	5,393	2,710
Transport	5,477	5,477	2,502
Catering	2,867	2,867	19,606
Other Premises Costs	107,241	107,241	36,520
Legal and Professional	187,064	187,064	110,596
Profit/Loss on Disposal	11,760	11,760	-
	<u>3,777,843</u>	<u>3,777,843</u>	<u>2,857,044</u>
<i>Total 2019</i>	<u>2,857,044</u>	<u>2,857,044</u>	

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Depreciation of tangible fixed assets	293,304	193,996
Fees paid to auditors for:		
- audit	9,675	8,500
- other services	6,400	4,975

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10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	8,715,190	5,515,625
Social security costs	891,674	557,154
Pension costs	3,170,708	1,911,747
	<u>12,777,572</u>	<u>7,984,526</u>
Agency staff costs	96,514	175,013
Staff restructuring costs	44,926	-
	<u><u>12,919,012</u></u>	<u><u>8,159,539</u></u>

Staff restructuring costs comprise:

	2020 £	2019 £
Redundancy payments	30,680	-
Severance payments	14,246	-
	<u><u>44,926</u></u>	<u><u>-</u></u>

b. Non-statutory/non-contractual staff severance payments

In the year the Trust paid £30,680 of redundancy payments to 2 employees. The individual amounts were £27,423 to 1 employee and £3,257 to another. In the year the Trust paid £14,246 of severance payments to 1 employee in respect of a compromise agreement.

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NOTES TO THE FINANCIAL STATEMENTS
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10. Staff (continued)

c. Staff numbers

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

	2020 No.	2019 No.
Teachers	169	163
Administration and support	166	189
Management	16	12
	<u>351</u>	<u>364</u>

d. Higher paid staff

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	4	1
In the band £70,001 - £80,000	7	1
In the band £80,001 - £90,000	1	-
In the band £90,001 - £100,000	1	-
In the band £100,001 - £110,000	1	-

e. Key management personnel

The key management personnel of the Trust comprise the Trustees 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 £460,277 (2019 £221,556).

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FOR THE YEAR ENDED 31 AUGUST 2020

11. Central services

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

- Executive Principal
- Finance
- Payroll and HR
- Insurance
- Maternity Cover

The Trust charges for these services on the following basis:

- Meole Brace is charged 4.1% of annual GAG income received
- Belvidere is charged 3.9% of annual GAG income received
- Mary Webb is charged 4.0% of annual GAG income received

The actual amounts charged during the year were as follows:

	2020 £	2019 £
Meole Brace	261,327	158,522
Belvidere	182,120	107,606
Mary Webb	123,689	70,637
Total	567,136	336,765

12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 August 2020, expenses totalling £1,150 were reimbursed or paid directly to 1 Trustee (2019 - £2,960 to 1 Trustee). This is in relation to travel claims over the year for 1 Trustee.

13. Trustees' 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 Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme membership.

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14. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2019	36,082,900	14,112	4,600	36,101,612
Additions	-	11,549	10,998	22,547
Disposals	-	(14,112)	-	(14,112)
At 31 August 2020	36,082,900	11,549	15,598	36,110,047
Depreciation				
At 1 September 2019	192,442	941	613	193,996
Charge for the year	288,663	3,721	2,020	294,404
On disposals	-	(2,352)	-	(2,352)
At 31 August 2020	481,105	2,310	2,633	486,048
Net book value				
At 31 August 2020	35,601,795	9,239	12,965	35,623,999
At 31 August 2019	35,890,458	13,171	3,987	35,907,616

15. Stocks

	2020 £	2019 £
Stock	11,978	7,768

Included within the above stock is small items such as stationery and P.E kit relating to the shop at Meole Brace School.

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16. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	13,143	2,947
Other debtors	43,793	126,826
Prepayments and accrued income	130,328	139,032
	<u>187,264</u>	<u>268,805</u>

17. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	53,311	200,466
Other taxation and social security	411,080	355,879
Other creditors	5,135	-
Accruals and deferred income	167,465	157,395
	<u>636,991</u>	<u>713,740</u>

	2020 £	2019 £
Resources deferred during the year	<u>30,665</u>	<u>-</u>

At the balance sheet date, the Trust was holding £30,665 received in advance for rates reimbursements which relate to the Autumn term 2020.

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General Funds - all funds	173	65	-	-	-	238
Restricted general funds						
General Annual Grant (GAG)	-	13,521,124	(13,521,124)	-	-	-
Pupil Premium	-	529,015	(529,015)	-	-	-
School Fund	283,953	380,666	(477,435)	-	-	187,184
Other Grants	687,975	706,763	(567,375)	(206,371)	-	620,992
Pension reserve	(7,612,000)	-	(413,000)	-	(345,000)	(8,370,000)
	<u>(6,640,072)</u>	<u>15,137,568</u>	<u>(15,507,949)</u>	<u>(206,371)</u>	<u>(345,000)</u>	<u>(7,561,824)</u>
Restricted fixed asset funds						
DFC Capital Monies	-	56,348	(104,921)	183,824	-	135,251
CIF Capital Monies	-	70,192	-	-	-	70,192
Restricted Fixed Assets	35,907,616	-	(306,164)	22,547	-	35,623,999
	<u>35,907,616</u>	<u>126,540</u>	<u>(411,085)</u>	<u>206,371</u>	<u>-</u>	<u>35,829,442</u>
Total Restricted funds	<u>29,267,544</u>	<u>15,264,108</u>	<u>(15,919,034)</u>	<u>-</u>	<u>(345,000)</u>	<u>28,267,618</u>
Total funds	<u>29,267,717</u>	<u>15,264,173</u>	<u>(15,919,034)</u>	<u>-</u>	<u>(345,000)</u>	<u>28,267,856</u>

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

Restricted funds represent the revenue funding received from the Education and Skills Funding Agency (ESFA).

Restricted fixed asset funds include fixed assets transferred on conversion and capital grant funding from the ESFA for capital expenditure purposes.

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

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 2020.

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
Meole Brace	309,453	289,903
Mary Webb	408,108	437,223
Belvidere	74,238	228,360
Trust	16,615	16,615
Total before fixed asset funds and pension reserve	808,414	972,101
Restricted fixed asset fund	35,829,442	35,907,616
Pension reserve	(8,370,000)	(7,612,000)
Total	28,267,856	29,267,717

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 2020 £	Total 2019 £
Meole Brace	4,951,864	852,608	368,664	550,309	6,723,445	4,842,925
Mary Webb	2,261,183	400,211	396,724	233,935	3,292,053	2,144,511
Belvidere	3,727,053	573,151	273,040	468,735	5,041,979	3,148,070
Trust	109,142	43,800	5,776	408,435	567,153	320,324
Trust	11,049,242	1,869,770	1,044,204	1,661,414	15,624,630	10,455,830

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18. Statement of funds (continued)

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

	<i>Income</i> £	<i>Expenditure</i> £	<i>Transfers in/out</i> £	<i>Gains/ (Losses)</i> £	<i>Balance at 31 August 2019</i> £
Unrestricted funds					
General Funds - all funds	173	-	-	-	173
Restricted general funds					
Restricted Funds - all funds	5,236,648	(4,440,830)	176,110	-	971,928
Pension reserve	-	(6,015,000)	-	(1,597,000)	(7,612,000)
	<u>5,236,648</u>	<u>(10,455,830)</u>	<u>176,110</u>	<u>(1,597,000)</u>	<u>(6,640,072)</u>
Restricted fixed asset funds					
Class II Restricted Funds - all funds	36,277,722	(193,996)	(176,110)	-	35,907,616
Total Restricted funds	<u>41,514,370</u>	<u>(10,649,826)</u>	<u>-</u>	<u>(1,597,000)</u>	<u>29,267,544</u>
Total funds	<u><u>41,514,543</u></u>	<u><u>(10,649,826)</u></u>	<u><u>-</u></u>	<u><u>(1,597,000)</u></u>	<u><u>29,267,717</u></u>

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19. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	35,623,999	35,623,999
Current assets	238	1,445,167	205,443	1,650,848
Creditors due within one year	-	(636,991)	-	(636,991)
Provisions for liabilities and charges	-	(8,370,000)	-	(8,370,000)
Total	238	(7,561,824)	35,829,442	28,267,856

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	35,907,616	35,907,616
Current assets	173	1,685,668	-	1,685,841
Creditors due within one year	-	(713,740)	-	(713,740)
Provisions for liabilities and charges	-	(7,612,000)	-	(7,612,000)
Total	173	(6,640,072)	35,907,616	29,267,717

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20. Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2020 £	2019 £
Net (expenditure)/income for the period (as per Statement of financial activities)	(654,861)	30,864,717
Adjustments for:		
Depreciation	294,404	193,996
Interest receivable	65	173
Increase in stocks	(4,210)	(7,768)
Decrease/(increase) in debtors	81,541	(268,805)
(Decrease)/increase in creditors	(76,749)	713,740
FRS102 Pension adjustments	413,000	6,015,000
Depreciation on disposal	(2,352)	-
Net cash provided by operating activities	50,838	37,511,053

21. Cash flows from financing activities

	2020 £	2019 £
Interest received	(65)	(173)
Net cash used in financing activities	(65)	(173)

22. Cash flows from investing activities

	2020 £	2019 £
Purchase of tangible fixed assets	(22,547)	(36,101,612)
Disposal of tangible fixed assets	14,112	-
Net cash used in investing activities	(8,435)	(36,101,612)

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23. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash at bank	1,451,606	1,409,268
Total cash and cash equivalents	1,451,606	1,409,268

24. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	1,409,268	42,338	1,451,606
	1,409,268	42,338	1,451,606

25. Capital commitments

	2020 £	2019 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	175,480	-

26. 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.

Contributions amounting to £193,457 were payable to the schemes at 31 August 2020 (2019 - £144,694) and are included within creditors.

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**NOTES TO THE FINANCIAL STATEMENTS
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26. 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 £1,603,017 (2019 - £860,523).

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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26. 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 2020 was £683,000 (2019 - £435,000), of which employer's contributions totalled £562,000 (2019 - £354,000) and employees' contributions totalled £ 121,000 (2019 - £81,000). The agreed contribution rates for future years are 17.4% to 18.3% per cent for employers and 5.5% to 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

	2020 %	2019 %
Rate of increase in salaries	3.65	3.5
Rate of increase for pensions in payment/inflation	2.5	2.1
Discount rate for scheme liabilities	1.8	1.8
Inflation assumption (CPI)	2.4	2

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

	2020 Years	2019 Years
<i>Retiring today</i>		
Males	22.9	23.2
Females	25.0	26.4
<i>Retiring in 20 years</i>		
Males	24.2	25.4
Females	26.6	28.7

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26. Pension commitments (continued)

Sensitivity analysis

	2020	2019
	£000	£000
Discount rate +0.1%	8,172	7,422
Mortality assumption - 1 year increase	8,647	7,764
CPI rate +0.1%	8,573	7,805
Pay growth +0.1%	8,408	7,650

Share of scheme assets

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

	2020	2019
	£	£
Equities	654,000	588,000
Corporate bonds	299,000	243,000
Property	57,000	54,000
Cash and other liquid assets	23,000	21,000
Other	325,000	264,000
Total market value of assets	1,358,000	1,170,000

The actual return on scheme assets was £18,000 (2019 - £79,000).

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

	2020	2019
	£	£
Current service cost	812,000	426,000
Past service cost	16,000	293,000
Interest cost	134,000	107,000
Administrative expenses	13,000	9,000
Total amount recognised in the Statement of Financial Activities	975,000	835,000

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26. Pension commitments (continued)

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

	2020 £	2019 £
At 1 September	8,782,000	6,308,000
Interest cost	160,000	125,000
Employee contributions	121,000	81,000
Actuarial (gains)/losses	(158,000)	1,659,000
Benefits paid	(5,000)	(110,000)
Past service costs	16,000	293,000
Current service cost	812,000	426,000
At 31 August	9,728,000	8,782,000

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

	2020 £	2019 £
At 1 September	1,170,000	774,000
Interest cost	26,000	18,000
Actuarial (losses)/gains	(503,000)	62,000
Employer contributions	562,000	354,000
Employee contributions	121,000	81,000
Benefits paid	(5,000)	(110,000)
Administrative costs	(13,000)	(9,000)
At 31 August	1,358,000	1,170,000

27. Operating lease commitments

At 31 August 2020 the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	30,854	22,860
Later than 1 year and not later than 5 years	46,708	53,580
	77,562	76,440

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FOR THE YEAR ENDED 31 AUGUST 2020

28. 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.

29. Related party transactions

Owing to the nature of the Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the 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.