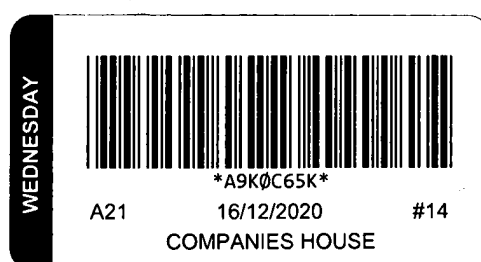


Company Registration Number: 08163448 (England & Wales)

**SHINE MULTI ACADEMY TRUST**  
(A Company Limited by Guarantee)

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



**SHINE MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**SHINE MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Members**

Mr C Beardsley (resigned 3 October 2019)  
Mr R Bevington  
Mr J Paramore (resigned 16 September 2019)  
Mr C Coverley (appointed 2 October 2019)  
Mr W Rathore  
Mr S Clulow (appointed 2 October 2019)  
Miss J Gant (appointed 14 November 2019)

**Trustees**

Miss J Gant, Chair  
Ms A Gregory, Vice Chair  
Mrs J O'Leary, Chief Executive Officer (CEO)  
Mrs S Robson, Trustee  
Mr D Bailey, Trustee  
Mr B Jones, Trustee  
Mr P Hawkins, Vice Chair

**Company registered number**

08163448

**Company name**

Shine Multi Academy Trust

**Principal and registered office**

Bracknell Crescent, Whitemoor, Nottingham, Nottinghamshire, NG8 5FF

**Company secretary**

Mrs H Brooks

**Senior management team**

Mrs J O'Leary, CEO  
Mrs S Brown, Finance and Business Director  
Mrs L Di Martino, Head Teacher (Whitemoor)  
Mrs K Hall, Head Teacher (Scotholme)  
Mrs J Grundy, Head Teacher (Ironville) (Mon - Thurs)  
Mrs G Fotheringham, Head Teacher (Langold Dyscarr)  
Mrs J Throssell, Acting Head Teacher (Ranskill)  
Mrs A Smedley, Acting Head Teacher (Ironville) (Fri)

**SHINE MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**Independent auditors**

Smith Cooper Audit Limited, 2 Lace Market Square, Nottingham, NG1 1PB

**Bankers**

Lloyds Banking Group, 2 Gresham Street, London, EC2V 7HN

**Solicitors**

Flint Bishop, St Michael's Court, St Michael's Lane, Derby, DE1 3HQ

**SHINE MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the 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.

Whitemoor Academy Primary and Nursery (Whitemoor) was the founder academy of the Trust.

Once Shine Multi Academy Trust (SHINE) was incorporated the roles of Shine Trustees commenced from 1 December 2016 and in turn, the Whitemoor Trustees transferred their support to the Local Governing Body.

The Trust comprises the following academies:

Whitemoor Academy (Whitemoor)

Ranskill Primary and Nursery (Ranskill)

Scotholme (Primary and Nursery) School (Scotholme)

Ironville and Codnor Park Primary School (Ironville)

Langold Dyscarr Community School (Langold)

**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 Academy Trust.

The Trustees of Shine Multi Academy Trust are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Shine Multi Academy Trust.

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

**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. Trustees' indemnities**

The Trust insurance indemnifies the Trustees through the Department for Education's risk protection arrangement (RPA).

**SHINE MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

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

**d. Method of recruitment and appointment or election of Trustees**

The Trustees, who are also the directors are appointed under the terms of the Trust's Articles of Association as follows:

The Trust shall have the following Trustees:

- Not less than 3 Trustees;
- The CEO;
- The members may appoint Trustees through such process as they may determine. The Members will take into account, but will not be bound by, the recommendations of the Board and its Local Governing Bodies of the Academies when appointing Trustees;
- Members can appoint up to 3 trustees under ordinary resolution;
- The total number of Trustees including the CEO who are employees of the Trust shall not exceed one third of the total number of Trustees;
- There shall be a minimum of two parent Trustees unless there are Local Governing Bodies which include at least two parent governors;
- The Board may appoint Co opted Trustees. The Board may not co opt an employee of the Trust as a Co-opted Trustee if thereby the number of Trustees who are employees of the Trust would exceed one third of the total number of Trustees (including the CEO).

**e. Policies adopted for the induction and training of Trustees**

The Trustees and its appointed Local Governors are offered training throughout the tenure in office to assist them in meeting their statutory obligations and duties. In addition, new Trustees and Local Governors are offered an induction programme and will receive information and training on charity, education, legal and financial matters. All Trustees and Local Governors are given a tour of the Academies and the chance to meet with the staff and pupils. All Trustees and Local Governors are provided with and have access to copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role within a Charitable Company.

**f. Organisational structure**

The CEO is the Accounting Officer. The Board are responsible for setting general policy, adopting an annual plan and budget, monitoring the Trust by the use of the budget and making major decisions about the direction of the Trust and senior staff appointments. The Board are responsible for the monitoring and performance of the CEO and Trust central team on a regular basis.

The Local Governing Bodies monitor their individual academies' performance and implementation of Trust policies, supported by the Trust central team, they must also report back to the Board in a consistent and timely manner on school improvement.

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

The pay of the CEO and Finance and Business Director will be determined by the Trustees Pay Committee within the Board's Resources Committee. The pay of the Headteacher's in individual academies is delegated to the Trustees Pay Committee under the advice of the CEO.

**h. Trade union facility time**

The Trust has no employees who are relevant trade union officials.

**SHINE MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

(continued)

**a. Objects and aims**

The mission statement of our Trust is:

**'Providing pupils with firm foundations whilst developing their uniqueness and allowing them to shine!'**

All academies within SHINE aim to achieve this by following three maxims which encompass our ethos and are the values we want our pupils, teachers and leaders to exemplify.

We believe that the three elements of PROVISION, ENHANCEMENT and ENRICHMENT when combined together proportionally create a unique and high quality education, which enables every pupil to achieve academically and to shine individually.

Provision:

- We believe that through consistent high quality provision, all our pupils will leave our academies having acquired the best set of basic skills possible.
- Strengthening, maintaining or further developing this provision element in all our academies is central to our work in providing our pupils with this strong foundation.

Enhancement:

- We believe that all pupils should have access to a rich, engaging and challenging curriculum, which enables them to learn and grow in a broader sense as unique individuals.

Enrichment:

- We believe that all pupils should have access to many powerful learning experiences and opportunities that motivate and inspire them. We harness the skills of staff specialisms across the Trust to turn interests into talents enabling all our pupils to 'shine'.

Take Care:

- We encourage, support and challenge all children and adults within SHINE to achieve their very best within an ethos of care and respect for each other's diversity.

Dare to be different:

- We believe that each academy is unique and has its own identity according to its context and the needs of its pupils. Whilst committing to a common ethos we celebrate and learn from each other's diversity.
- The Trust promotes diversity linked to high standards and harmonisation of key policies and processes.

All academies within SHINE welcome the opportunity to be an equal and valued partner within the Trust and see their success as being measured in the achievement of their own aims as well as the achievements of SHINE as a whole.

**Partnership Working**

In our fourth year we continue to work as an established Multi Academy Trust, with our sixth academy joining us in February 2021. We continue to work on embedding our systems and further secure our collaborative working across the Trust.

Our partnership work is summarised in a Collaborative Plan for the year, which identifies work to be carried out in three distinct areas:

- Whole Trust Projects
- Individual Academy Collaborations
- SHINE Central Team Support

**SHINE MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

**(continued)**

**b. Objectives, strategies and activities**

Our Business, Growth and Development Plan defines the objectives and aims for the coming year. This crucial document is our vehicle for improvement in all areas of work across SHINE. With key actions, success criteria, timescales and identified leaders we are able to continually evaluate our practice.

We focus on both the business and growth of the Trust ensuring we are able to continue with current good practice, plan for future projects and ensure capacity for the continued growth of the Trust across all areas. Working as a central team to report regularly to the Board.

**c. Public benefit**

In setting our objectives and planning our activities, the Trustees have given careful consideration to the Charity Commission's general guidelines on public benefit and in particular to its supplementary guidance on advancing education. The Trust strives to promote and advance the education of children and to ensure that the Trust's aims and objectives are considered in all planned activities.

**Strategic report**

**Achievements and performance**

**a. Key performance indicators**

For key performance indicators see main body of Review of Activities.

**b. Going concern**

The Trust's plans to welcome more schools have been disrupted by the COVID-19 pandemic. Whilst this has impacted on our financial planning 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. Review of activities**

Due to the Coronavirus pandemic, national tests did not take place last year, thus no commentary could be provided in regard to academic achievement (both in terms of progress and attainment). However, the schools have continued to focus on school improvement and the following summarises their highlights:

Ironville and Codnor Park Primary:

The school is continuing its journey from 'serious weakness' to 'good.' Great progress has been made in terms of their Maths Mastery provision, supported by another school within the Trust. What's more, Ironville have developed a highly effective alternate provision for pupils with higher level needs, resulting in an impressive reduction of fixed-term exclusions.

Langold:

As their second year since joining SHINE approaches, the school is making rapid progress in all areas of school improvement. They too have benefitted from support provided by another school in the Trust when it comes to Maths Mastery. Equally, they have been sharing their expertise in EYFS practice with a number of our schools. Additionally, the school have introduced a number of initiatives around social and emotional learning, such as Take Five Breathing and a school therapy dog.

**SHINE MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

**Strategic report (continued)**

**Achievements and performance (continued)**

Ranskill:

Following on from a very successful Ofsted inspection last academic year, the school has continued to develop its curriculum offer, particular so in the Foundation Subjects. This has been driven by specialist provision in Music, Modern Foreign Languages, Religious Education and Physical Education. Also, the school's Specialist Leader of Education for EYFS is helping bring about rapid improvement in their new Nursery setting.

Scotholme:

Following Ofsted's Section 8 Inspection in December, much work has been undertaken to improve the Foundation Subjects curriculum at Scotholme, with progressive and well sequenced learning at the fore. Additionally, many changes have been made regarding the teaching of reading, including phonics practice in EYFS and Key Stage 1. The school's enrichment offer continues to be exemplary, bringing about high levels of personal development and raising aspirations. Furthermore, staff at all levels have provided ongoing support for a number of schools in the Trust, helping both develop their leadership and bring about better outcomes for all.

Whitemoor:

As a result of their most recent Ofsted inspection, great improvements in the school's reading provision and practice have been made, underpinned by a rigorous approach to the teaching of phonics. More recently, an onsite provision for children with higher level needs has been established and is receiving much praise from parents/carers and outside agencies. PE and School Sport provision continues to be a real strength, with the school's practice shared regularly at local and national events.

**Response to Covid-19:**

The way SHINE and our schools are operating in response to the coronavirus pandemic (Covid-19) continues to be fundamentally different to business as usual. SHINE and our schools responded well to adapting working practices to keep everyone safe whilst delivering quality first teaching. Processes in response to Covid-19 did not weaken the approach to safeguarding and our academies provided a safe environment, kept children and staff safe and ensured risk assessments were reviewed, briefed and published.

Our CEO monitored government guidance and ensured headteachers with the support of the central team focussed on the wellbeing of our children and staff. The Board received regular update reports and were encouraged to note:

- all schools, but one, remained open in the Easter and May half term
- attendance had steadily increased, and that some schools by the end of the summer had opened to all year groups including vulnerable/key worker children
- staff that had been advised by the Government to shield had been well supported and had safely returned to their roles ready for full opening in September

As schools are government funded, most suppliers were paid as normal. However, there were some business impacts in terms of schools lost income through catering, trips, lettings, and private nursery fees. Schools did receive the additional costs of free school meals (FSM) in the holidays from the ESFA, but where losses were not recoverable - schools budget plans were affected. On a whole trust basis, SHINE expected to welcome a new school to their family on 1 September 2020, but due to Covid-19 it has been delayed to 1 February 2021.

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

SHINE actively engages with parents of pupils as necessary via the individual schools. Significant engagement was undertaken with parents/carers during the Covid-19 pandemic in order to keep them fully apprised of the situation as it developed and changed.

**SHINE MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

**Strategic report (continued)**

**Achievements and performance (continued)**

The Trust actively engaged with suppliers through the undertaking of appropriate procurement exercises, ongoing contract management processes and partnership engagement.

SHINE and our schools worked with all three of the local authorities it works across, to consider and develop innovative solutions to meet the needs of our schools using their services, such as catering.

**Promoting the success of the company**

The outcomes achieved throughout 2019/2020 clearly demonstrate the success of the Trust against its charitable objectives, and SHINE's future plans set out how future success will be achieved. Performance against plan is reported regularly to the Board along with future growth opportunities ensuring all trustees are fully apprised of all key success criteria for SHINE.

**a. Financial review**

During the year the Trust received income of £7,434,000 (2019 - £6,624,000) in government and local authority grants and £197,000 (2019 - £214,000) of other income totalling £7,631,000 (2019 - £6,838,000). It also received £nil (2019 - £4,338,000) of assets donated from the local authority when a school converted to join the Trust taking total incoming resources to £7,631,000 (2019 - £11,176,000).

Total expenditure amounted to £8,629,000 (2019 - £7,569,000).

The financial position on overall net assets has decreased during the year with net assets totalling £7,442,000 at 31 August 2020 (compared to £9,419,000 at 31 August 2019). The main movements in this financial position are:

- a decrease in tangible fixed assets of £366,000 which relates to the net impact of fixed asset additions less depreciation charged for the year;
- an increase of £1,535,000 in the total defined benefit pension scheme liability following actuarial valuation.

**b. Reserves policy**

The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects and the nature of the reserves. The Board will keep the level of resources under review.

As and when reserves are held they will be used to fund current commitments and future repairs and improvement projects as well as expenditure required to implement the aims and objectives of the Trust as outlined in the Development Plan.

**c. Investment policy**

Our aim is to spend the public monies with which we are entrusted for the direct education benefit of pupils as soon as is prudent. The Board does not consider the investment of surplus funds as a primary activity rather it is the result of good stewardship as and when circumstances allow. Currently the Trust has no investments.

**SHINE MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

**Strategic report (continued)**

**(continued)**

**d. Principal risks and uncertainties**

**Risk Management**

The Board have assessed the major risks to which the Trust is exposed, and a Risk Management Register is in place. The Board and its Local Governing Bodies have a range of policies in place to assess risks that the academies face, especially in operational areas (e.g. in relation to teaching, health and safety, bullying, school trips, safeguarding and the control of finance).

There are a number of factors which may affect the principal risks and uncertainties that the Trust faces and how the Board intends to resolve them. These include:

**A change in Government Policy**

With a change in Government policy, the funding of the Trust may change and may result in a reduction in funding. This will be mitigated by building unrestricted reserves which may be used in times where funding has been restricted.

**Pension**

The Trust's non teaching staff are entitled to membership of the local government pension scheme. The Trust's share of the scheme's assets is a liability of £4,891,000. It should be noted that this does not present the Trust with any current liquidity problem.

**Fundraising**

Due to Covid-19, schools were unable to complete their usual calendar of fundraising activities which traditionally takes place in the spring and summer terms.

**Plans for future periods**

Over the next 12 months, the Trust will continue with Policy alignment and harmonisation.

- Continuing with its ongoing review of all existing contracts in an attempt to maximise efficiency savings and to relieve the pressure on budgets both within the academies and the central service. Alongside this we will undertake benchmarking, curriculum led planning and use the resource management tools available.
- Furthering the monitoring of standards effectively taking proactive steps and collaborative working to ensure that academies perform to their full potential.
- Continue to build capacity for growth within the Trust.

**SHINE MULTI 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 15 December 2020 and signed on its behalf by:



.....  
**Miss J Gant**  
Chair of Trustees

**SHINE MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT**

**Scope of responsibility**

As Trustees, we acknowledge we have overall responsibility for ensuring that Shine Multi Academy 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 CEO, 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 Shine Multi Academy Trust and the Secretary of State for Education. They are 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 9 times during the year. The Board via their terms of reference, discharged their duty to monitor the viability of SHINE to their appointed Resources Committee who met 3 times in the period up to 23 March 2020. Due to the coronavirus pandemic the Trustees restructured their business, and the Board received financial management reports for the remainder of the year. The Board agreed this schedule to satisfy their statutory obligations as identified in the Education and Skills Funding Agency's (ESFA) published Academy Financial Handbook 2019.

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

Trustee	Meetings attended	Out of a possible
Miss J Gant	9	9
Ms A Gregory	9	9
Mrs J O'Leary, CEO	8	9
Mrs M Robson	5	9
Mr D Bailey	9	9
Mr B Jones	7	9
Mr P Hawkins	8	9

The Board undertake a regular evaluation of their skills set and have the option to complete training where appropriate.

The Accounting Officer considers how the Trust's use of its resources has provided best value for money during each academic year, and reports to the Board of Trustees where value for money can be improved. The Resources Committee is a subcommittee of the Board and its purpose is to have responsibility for the oversight and strategic objects with regard to:

- Finance, value for money and budget setting;
- Staffing and personnel including pay, performance management, recruitment and staff development;
- Premises and estates of the Trust.

**SHINE MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT (CONTINUED)**

**Governance (continued)**

These can be further defined as:

- Monitor and review the income and expenditure of the Trust and ensure compliance with the terms of the funding agreement, drawing any matters of concern to the attention of the Board
- Drafting the budget based on the priorities in the development plan to present to the Board for adoption
- Establishing and monitoring appropriate policies and procedures for sound budgetary control across the Trust
- Responding to any issues arising from the audit of the Trust's accounts
- Ensuring that the financial implications of staffing decisions are explicitly identified, understood, budgeted for and that any unbudgeted items are pre approved
- Consider financial implications of recommendations made by the CEO
- Ensuring that the Trust annually prepares and maintains a register of pecuniary interests for every Member, Trustee, Local Governor and senior staff
- Evaluate income generation possibilities.

The Audit Committee is represented within the Resources Committee, which reports to the main Board. Its main purpose is to advise the Board on the adequacy and effectiveness of the Trust's systems of internal controls and its arrangements for risk management and governance procedures including securing economy, efficiency and effectiveness (value for money).

Attendance during the year at Resource Committee meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr D Bailey	3	3
Miss J Gant	3	3
Ms A Gregory	2	3
Mrs J O'Leary	2	3
Mrs M Robson	1	3
Mr P Hawkins	3	3
Mr B Jones	2	3

**Review of value for money**

As Accounting Officer, the CEO has responsibility for ensuring that the Trust achieves "Best Value" in the use of public funds. The Accounting Officer understands that value for money refers to the educational and wider social outcomes achieved.

The Accounting Officer considers how the Trust's use of its resources has provided best value for money during each academic year, and reports to the Board of Trustees where value for money can be improved. The Accounting Officer for the Trust has delivered improved value for money during the year by:

- Ensuring three quotes are obtained on all items over £2,000
- Ratification of the Budgets for the Financial Year is clearly minuted
- Reports for Trustees produced on items such as Pupil Premium/Sports grant
- Ensured value for money principles are taken fully into account within existing management, planning and review processes
- Adopt and recognising good practice where it is appropriate to do so
- Consolidating contracts and aligning service providers across the Trust
- Using SHINE Central Team expertise to minimise costs outsourced to fulfil statutory requirements

**SHINE MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT (CONTINUED)**

**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 Shine Multi Academy 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.

**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 Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Smith Cooper Audit Limited as internal auditor.

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

- Purchase systems
- Control account/bank reconciliations
- Controls around other areas such as connected party transactions and other compliance matters

On an annual basis, the auditor reports to the Board of Trustees through the Resources Committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

Smith Cooper Audit Limited has been able to deliver their schedule of work as planned.

From 1 September 2020, registered audit firms who undertake both the external and internal audit can no longer provide both services to a Trust, in line with the Financial reporting Council's Ethical Standard. As a result the Trust is looking to appoint a new provider for their internal audit services.

**SHINE MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT (CONTINUED)**


**Review of effectiveness**

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

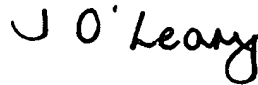
- the work of the auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Resources 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:



**Miss J Gant**  
Chair of Trustees  
Date: 15 December 2020



**Mrs J O'Leary**  
Accounting Officer

**SHINE MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As Accounting Officer of Shine Multi 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 Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the 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.



**Mrs J O'Leary**  
Accounting Officer  
Date: 15 December 2020

**SHINE MULTI 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 & 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 . 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 2015 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:



.....  
**Miss J Gant**  
Chair of Trustees  
Date: 15 December 2020

**SHINE MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SHINE  
MULTI ACADEMY TRUST**

**Opinion**

We have audited the financial statements of Shine Multi Academy Trust (the 'academy trust') for the year 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 2015 and the Academies Accounts Direction 2019 to 2020 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015, and the Academies Accounts Direction 2019 to 2020 issued by the Education & Skills Funding Agency.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the academy 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 academy 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.

**SHINE MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

**Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Other information includes the Reference and Administrative Details, the 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 academy 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.

**SHINE MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

**Responsibilities of trustees**

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the academy 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 academy 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 academy trust or to cease operations, or have no realistic alternative but to do so.

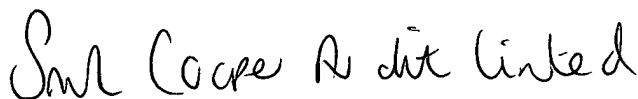
**Auditors' responsibilities for the audit of the financial statements**

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

**Use of our report**

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



**Sarah Flear (Senior Statutory Auditor)**

for and on behalf of

**Smith Cooper Audit Limited**

Chartered Accountants and Statutory Auditors

2 Lace Market Square

Nottingham

NG1 1PB

Date: 15/12/2020

**SHINE MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SHINE  
MULTI ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 22 July 2020 and further to the requirements of the Education & 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 Shine Multi 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 Shine Multi Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Shine Multi 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 Shine Multi Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Shine Multi Academy Trust's Accounting Officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of Shine Multi Academy Trust's funding agreement with the Secretary of State for Education dated 30 November 2016 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 academy trust's income and expenditure.

The work undertaken to draw our conclusions included the following:

- Planned our assurance procedures including identifying key risks;
- Carried out a program of substantive testing, including review of the program of work and findings in relation to internal scrutiny;
- Undertook controls testing where considered appropriate;
- Concluded on the procedures undertaken.

**SHINE MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SHINE  
MULTI 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.

*Smith Cooper Audit Limited*

**Smith Cooper Audit Limited**  
2 Lace Market Square  
Nottingham  
NG1 1PB

Date: *15/12/2020*

**SHINE MULTI ACADEMY TRUST**  
(A Company Limited by Guarantee)

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

		Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
	Note					
<b>Income from:</b>						
Donations and capital grants	3	1	-	35	36	4,423
Charitable activities: funding for the academy trust's educational operations	5	132	7,448	-	7,580	6,740
Other trading activities	4	14	-	-	14	13
Investments	6	1	-	-	1	-
<b>Total income</b>		<b>148</b>	<b>7,448</b>	<b>35</b>	<b>7,631</b>	<b>11,176</b>
<b>Expenditure on:</b>						
Charitable activities: academy trust educational operations	7	133	8,097	399	8,629	7,569
<b>Total expenditure</b>		<b>133</b>	<b>8,097</b>	<b>399</b>	<b>8,629</b>	<b>7,569</b>
<b>Net income/(expenditure)</b>		<b>15</b>	<b>(649)</b>	<b>(364)</b>	<b>(998)</b>	<b>3,607</b>
Transfers between funds	18	-	2	(2)	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>15</b>	<b>(647)</b>	<b>(366)</b>	<b>(998)</b>	<b>3,607</b>
<b>Other recognised gains/(losses):</b>						
Actuarial losses on defined benefit pension schemes	23	-	(979)	-	(979)	(966)
<b>Net movement in funds</b>		<b>15</b>	<b>(1,626)</b>	<b>(366)</b>	<b>(1,977)</b>	<b>2,641</b>

**SHINE MULTI ACADEMY TRUST**  
(A Company Limited by Guarantee)

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

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds	Total funds
	2020	2020	2020	2020	2019
Note	£000	£000	£000	£000	£000
<b>Reconciliation of funds:</b>					
Total funds brought forward	28	(4,356)	13,747	9,419	6,778
Net movement in funds	15	(1,626)	(366)	(1,977)	2,641
<b>Total funds carried forward</b>	<b>43</b>	<b>(5,982)</b>	<b>13,381</b>	<b>7,442</b>	<b>9,419</b>

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


The notes on pages 26 to 50 form part of these financial statements.

**SHINE MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 08163448**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2020**

	Note	2020 £000	2019 £000
<b>Fixed assets</b>			
Tangible assets	14	13,381	13,747
<b>Current assets</b>			
Stocks	15	3	7
Debtors	16	299	418
Cash at bank and in hand	22	783	749
		<u>1,085</u>	<u>1,174</u>
Creditors: amounts falling due within one year	17	(598)	(611)
<b>Net current assets</b>		<u>487</u>	<u>563</u>
<b>Total assets less current liabilities</b>		<u>13,868</u>	<u>14,310</u>
<b>Net assets excluding pension liability</b>		<u>13,868</u>	<u>14,310</u>
Defined benefit pension scheme liability	23	(6,426)	(4,891)
<b>Total net assets</b>		<u><u>7,442</u></u>	<u><u>9,419</u></u>
<b>Funds of the academy trust</b>			
<b>Restricted funds:</b>			
Fixed asset funds	18	13,381	13,747
Restricted income funds	18	444	535
Restricted funds excluding pension asset	18	<u>13,825</u>	<u>14,282</u>
Pension reserve	18	(6,426)	(4,891)
<b>Total restricted funds</b>	18	<u>7,399</u>	<u>9,391</u>
<b>Unrestricted income funds</b>	18	43	28
<b>Total funds</b>		<u><u>7,442</u></u>	<u><u>9,419</u></u>

The financial statements on pages 22 to 50 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

  
.....

**Miss J Gant**  
Chair of Trustees  
Date: 15 December 2020

**SHINE MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	2020 £000	2019 £000
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	20	32	110
<b>Cash flows from investing activities</b>	21	3	129
<b>Change in cash and cash equivalents in the year</b>		<b>35</b>	<b>239</b>
Cash and cash equivalents at the beginning of the year		749	510
<b>Cash and cash equivalents at the end of the year</b>	22	<u><b>784</b></u>	<u><b>749</b></u>

The notes on pages 26 to 50 form part of these financial statements

**SHINE MULTI 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.

Shine Multi Academy Trust constitutes a public benefit entity as defined by FRS 102.

The financial statements are prepared in Sterling which is the functional currency of the company and rounded to the nearest £1,000.

**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 Academy 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 Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

**1.3 Income**

All incoming resources are recognised when the 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 period for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

• **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.

**SHINE MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

**1. Accounting policies (continued)**

**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 Tangible fixed assets**

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

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

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

Depreciation is provided on the following bases:

Leasehold property	- 25 - 42 years straight line
Building improvements	- 10 -15 years straight line
Long-term leasehold land	- Over the term of the lease (125 years)
Furniture and fixtures	- 5 years straight line
Computer equipment	- 3 years straight line

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

**1.6 Operating leases**

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

**SHINE MULTI 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 Stocks**

Unsold uniform and PE kits are valued at the lower of cost and net realisable value.

**1.8 Taxation**

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

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

**1.9 Interest receivable**

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

**1.10 Liabilities and provisions**

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

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

**1.11 Fund accounting**

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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.

**SHINE MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

**1. Accounting policies (continued)**

**1.12 Financial instruments**

The Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy 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. Amounts due to the academy trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in 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. Amounts due to the academy trust's wholly owned subsidiary are held at face value less any impairment.

**1.13 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded 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 academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to 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.

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

**Local Government Pension Scheme**

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 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.

**Depreciation**

The assessment of the useful economic lives and the method of depreciating fixed assets requires judgment. Depreciation is charged to the Statement of Financial Activities based on the useful economic life selected, which requires an estimation of the period and profile over which the Trust expects to consume the future economic benefits embodied in the assets.

**SHINE MULTI ACADEMY TRUST**  
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**3. Income from donations and capital grants**

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Donations	1	-	-	1	2
Capital Grants	-	-	35	35	84
Transfer from local authority on conversion	-	-	-	-	4,338
	<u>1</u>	<u>-</u>	<u>35</u>	<u>36</u>	<u>4,424</u>
<i>Total 2019</i>	<u>76</u>	<u>(616)</u>	<u>4,964</u>	<u>4,424</u>	

**4. Income from other trading activities**

	Unrestricted funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Lettings & Uniform income	<u>14</u>	<u>14</u>	<u>13</u>
<i>Total 2019</i>	<u>13</u>	<u>13</u>	

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**5. Funding for the academy trust's educational operations**

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
<b>DfE/ESFA grants</b>				
General Annual Grant	-	5,975	5,975	5,351
Start up grant	-	-	-	70
Other DfE Group Grants	-	847	847	590
	-	6,822	6,822	6,011
<b>Other government grants</b>				
Local authority grants	-	300	300	338
Special educational projects	-	241	241	191
	-	541	541	529
<b>Exceptional government funding</b>				
Coronavirus support cost relief	-	36	36	-
	-	36	36	-
<b>Other income from academy trust's educational operations</b>				
Other income	132	13	145	164
School trip income	-	36	36	36
	132	49	181	200
	132	7,448	7,580	6,740
<b>Total 2019</b>	<b>160</b>	<b>6,580</b>	<b>6,740</b>	

The Academy Trust has been eligible to claim additional funding in the year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

- The funding received for coronavirus exceptional support covers £30k of Free School Meal costs, and £6k premises, cleaning and hygiene costs. These costs are included in notes 7 and 8 below as appropriate.

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**6. Investment income**

	Unrestricted funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Interest receivable	1	1	-
	<u>1</u>	<u>1</u>	<u>-</u>
<i>Total 2019</i>	<u>-</u>	<u>-</u>	

**7. Expenditure**

	Staff Costs 2020 £000	Premises 2020 £000	Other 2020 £000	Total 2020 £000	Total 2019 £000
Academy trust's educational operations:					
Direct costs	5,308	-	297	5,605	4,997
Allocated support costs	1,498	452	1,074	3,024	2,572
	<u>6,806</u>	<u>452</u>	<u>1,371</u>	<u>8,629</u>	<u>7,569</u>
<i>Total 2019</i>	<u>5,902</u>	<u>367</u>	<u>1,300</u>	<u>7,569</u>	

**8. Analysis of expenditure by activities**

	Activities undertaken directly 2020 £000	Support costs 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Academy trust's educational operations	5,605	3,024	8,629	7,569
	<u>5,605</u>	<u>3,024</u>	<u>8,629</u>	<u>7,569</u>
<i>Total 2019</i>	<u>4,997</u>	<u>2,572</u>	<u>7,569</u>	

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

**Analysis of direct costs**

	<b>Total funds 2020 £000</b>	<i>Total funds 2019 £000</i>
Staff costs	5,308	4,681
Depreciation	40	44
Other direct costs	109	115
Educational supplies	148	157
	<hr/> 5,605 <hr/>	<hr/> 4,997 <hr/>

**Analysis of support costs**

	<b>Total funds 2020 £000</b>	<i>Total funds 2019 £000</i>
Staff costs	1,498	1,221
Depreciation	359	301
Technology costs	80	69
Maintenance of premises and equipment	91	62
Cleaning	184	144
Rates	50	35
Energy costs	102	99
Insurance	46	53
Catering	361	236
Other support costs	232	331
Governance costs	21	21
	<hr/> 3,024 <hr/>	<hr/> 2,572 <hr/>

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

Net income/(expenditure) for the year includes:

	2020 £000	2019 £000
Operating lease rentals	26	31
Depreciation of tangible fixed assets	399	346
Fees paid to auditors for:		
- audit	16	16
- other services	5	5
	<u>          </u>	<u>          </u>

During the year there were no individual transactions exceeding £5,000 falling under the following headings:

- Ex-gratia/compensation payments
- Gifts made by the trust
- Fixed asset losses
- Stock losses
- Unrecoverable debts
- Cash losses

**10. Staff costs**

**a. Staff costs**

Staff costs during the year were as follows:

	2020 £000	2019 £000
Wages and salaries	4,678	4,203
Social security costs	432	397
Pension costs	1,529	1,165
	<u>          </u>	<u>          </u>
	6,639	5,765
Agency staff costs	167	136
	<u>          </u>	<u>          </u>
	6,806	5,901
	<u>          </u>	<u>          </u>

Included within pension costs is £89,000 (2019 - £78,000) of defined benefit pension scheme net finance costs.

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**10. Staff costs (continued)**

**b. Staff numbers**

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

	<b>2020</b>	<i>2019</i>
	<b>No.</b>	<i>No.</i>
Teachers	<b>65</b>	<i>76</i>
Administration and support	<b>146</b>	<i>146</i>
Management	<b>8</b>	<i>6</i>
	<b>219</b>	<i>228</i>

**c. Higher paid staff**

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

	<b>2020</b>	<i>2019</i>
	<b>No.</b>	<i>No.</i>
In the band £60,001 - £70,000	<b>1</b>	<i>2</i>
In the band £70,001 - £80,000	<b>1</b>	<i>-</i>
In the band £80,001 - £90,000	<b>1</b>	<i>1</i>

**d. Key management personnel**

The key management personnel of the Trust comprise the CEO, Finance and Business Director and the Head Teachers. The total amount of employee benefits (including employer pension contributions and employer national insurance) received by key management personnel for their services to the Trust was £627,392 (2019 - £503,929).

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**11. Central services**

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

- Human resources
- Finance
- Legal services
- Educational support services

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

Flat percentage of income - 5% or 6% depending on the category of the academy.

The actual amounts charged during the year were as follows:

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Whitemoor Academy	91	91
Ranskill Primary School	25	25
Scotholme (Primary & Nursery) School	92	91
Ironville & Codnor Park Primary School	33	27
Langold Dyscarr Community School	60	35
<b>Total</b>	<b>301</b>	<b>269</b>

**12. Trustees' remuneration and expenses**

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

		<b>2020</b>	<b>2019</b>
		<b>£000</b>	<b>£000</b>
Mrs J O'Leary, Chief Executive Officer	Remuneration	80 - 85	80 - 85
	Pension contributions paid	15 - 20	10 - 15

During the year ended 31 August 2020, no Trustee expenses have been incurred (2019 - £482).

**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**

	Leasehold property £000	Furniture and fixtures £000	Computer equipment £000	Total £000
<b>Cost or valuation</b>				
At 1 September 2019	14,614	172	209	14,995
Additions	-	23	10	33
At 31 August 2020	<u>14,614</u>	<u>195</u>	<u>219</u>	<u>15,028</u>
<b>Depreciation</b>				
At 1 September 2019	956	107	185	1,248
Charge for the year	359	24	16	399
At 31 August 2020	<u>1,315</u>	<u>131</u>	<u>201</u>	<u>1,647</u>
<b>Net book value</b>				
At 31 August 2020	<u>13,299</u>	<u>64</u>	<u>18</u>	<u>13,381</u>
At 31 August 2019	<u>13,658</u>	<u>65</u>	<u>24</u>	<u>13,747</u>

**15. Stocks**

	2020 £000	2019 £000
Finished goods and goods for resale	<u>3</u>	<u>7</u>

**16. Debtors**

	2020 £000	2019 £000
<b>Due within one year</b>		
Trade debtors	7	3
Other debtors	54	72
Prepayments and accrued income	238	343
	<u>299</u>	<u>418</u>

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

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Trade creditors	<b>89</b>	<b>199</b>
Other taxation and social security	<b>101</b>	<b>100</b>
Other creditors	<b>112</b>	<b>93</b>
Accruals and deferred income	<b>296</b>	<b>219</b>
	<b>598</b>	<b>611</b>
	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Deferred income at 1 September 2019	<b>179</b>	<b>134</b>
Resources deferred during the year	<b>190</b>	<b>179</b>
Amounts released from previous periods	<b>(179)</b>	<b>(134)</b>
	<b>190</b>	<b>179</b>

At the balance sheet date the Trust was holding funds received in advance for Universal Free School Meals, Higher Level Needs, and Early Years Funding and other miscellaneous income.

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

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
<b>Unrestricted funds</b>						
Unrestricted funds	28	148	(133)	-	-	43
<b>Restricted general funds</b>						
General Annual Grant (GAG)	535	5,975	(6,068)	2	-	444
Other DfE Group Grants	-	848	(848)	-	-	-
Other Government Grants	-	577	(577)	-	-	-
Other restricted	-	48	(48)	-	-	-
Pension reserve	(4,891)	-	(556)	-	(979)	(6,426)
	<u>(4,356)</u>	<u>7,448</u>	<u>(8,097)</u>	<u>2</u>	<u>(979)</u>	<u>(5,982)</u>
<b>Restricted fixed asset funds</b>						
Assets transferred from predecessor school	13,311	-	(320)	-	-	12,991
Capital expenditure from GAG	73	-	-	-	-	73
DfE Group capital grants	363	35	(79)	(2)	-	317
	<u>13,747</u>	<u>35</u>	<u>(399)</u>	<u>(2)</u>	<u>-</u>	<u>13,381</u>
<b>Total Restricted funds</b>	<u>9,391</u>	<u>7,483</u>	<u>(8,496)</u>	<u>-</u>	<u>(979)</u>	<u>7,399</u>
<b>Total funds</b>	<u>9,419</u>	<u>7,631</u>	<u>(8,629)</u>	<u>-</u>	<u>(979)</u>	<u>7,442</u>

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

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.

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education and will be only used for the purpose that the grants were intended. The main grant received within these funds is the GAG.

Under the funding agreement with the Secretary of State, the academy 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:

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Whitemoor Academy	<b>206</b>	<b>182</b>
Ranskill Primary School	<b>12</b>	<b>26</b>
Scotholme (Primary & Nursery) School	<b>103</b>	<b>268</b>
Shine (Central)	<b>(207)</b>	<b>(136)</b>
Ironville & Codnor Park Primary School	<b>96</b>	<b>80</b>
Langold Dyscarr Community School	<b>277</b>	<b>143</b>
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	<b>487</b>	<b>563</b>
Restricted fixed asset fund	<b>13,381</b>	<b>13,747</b>
Pension reserve	<b>(6,426)</b>	<b>(4,891)</b>
	<hr/>	<hr/>
<b>Total</b>	<b>7,442</b>	<b>9,419</b>
	<hr/>	<hr/>

The following academy is carrying a net deficit on its portion of the funds as follows:

	<b>Deficit</b>
	<b>£000</b>
Shine (Central)	<b>(207)</b>
	<hr/>

The deficit comprises mainly of salary costs for the five central staff. As a requirement of the Academies Financial Handbook, the Board have an appointed CEO, CFO and Leader of Governance. Our Business Project Lead's responsibilities includes that of Data Protection Officer, HR and staff well-being and our Director of Curriculum works with all our school leaders on school improvement to ensure every pupil develops their uniqueness and shines.

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

The academy trust is taking the following action to return the academy to surplus:

SHINE continues to be open for other primary schools looking to join a 'Take Care' trust. The Central team are experienced individuals, who are able to support the Trust's plans for growth which will reduce the deficit. A new school is joining the SHINE family on 1 February 2021, delayed from September 2020 due to Covid-19. The CEO and Director of Curriculum outsource their skills to other third parties and provisions to gain revenue. As a Trust we use intercompany skills to reduce the costs of goods and services such as finance, premise management and procurement. Furthermore, to reduce overheads, meetings across SHINE are held virtually, the team work from home and 'hot desk' at schools depending on demand. The Trust is also seeing an increase in the admissions at a number of schools and have increased the number of Nursery's provisions this year as they now manage Ranskill Nursery.

**Total cost analysis by academy**

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2020 £000	Total 2019 £000
Whitemoor Academy	1,562	290	44	493	<b>2,389</b>	2,441
Ranskill Primary School	390	133	28	169	<b>720</b>	623
Scotholme (Primary & Nursery) School	1,862	187	63	523	<b>2,635</b>	2,512
Shine (Central)	176	141	-	70	<b>387</b>	394
Ironville & Codnor Park Primary School	493	71	41	195	<b>800</b>	750
Langold Dyscarr Community School	828	119	42	310	<b>1,299</b>	503
<b>Academy trust</b>	<b>5,311</b>	<b>941</b>	<b>218</b>	<b>1,760</b>	<b>8,230</b>	7,223

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

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

	<i>Balance at 1 September 2018 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2019 £000</i>
<b>Unrestricted funds</b>						
Unrestricted funds	28	248	(248)	-	-	28
<b>Restricted general funds</b>						
General Annual Grant (GAG)	386	5,351	(5,257)	55	-	535
Other DfE Group Grants	-	660	(660)	-	-	-
Other Government Grants	-	529	(529)	-	-	-
Other restricted Pension reserve	-	40	(40)	-	-	-
	(2,820)	(616)	(489)	-	(966)	(4,891)
	<u>(2,434)</u>	<u>5,964</u>	<u>(6,975)</u>	<u>55</u>	<u>(966)</u>	<u>(4,356)</u>
<b>Restricted fixed asset funds</b>						
Assets transferred from predecessor school	8,695	4,880	(264)	-	-	13,311
Capital expenditure from GAG	72	-	-	1	-	73
DfE Group capital grants	417	84	(82)	(56)	-	363
	<u>9,184</u>	<u>4,964</u>	<u>(346)</u>	<u>(55)</u>	<u>-</u>	<u>13,747</u>
<b>Total Restricted funds</b>	<u>6,750</u>	<u>10,928</u>	<u>(7,321)</u>	<u>-</u>	<u>(966)</u>	<u>9,391</u>
<b>Total funds</b>	<u>6,778</u>	<u>11,176</u>	<u>(7,569)</u>	<u>-</u>	<u>(966)</u>	<u>9,419</u>

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

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

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	-	-	13,381	13,381
Current assets	454	631	-	1,085
Creditors due within one year	(411)	(187)	-	(598)
Provisions for liabilities and charges	-	(6,426)	-	(6,426)
<b>Total</b>	<b>43</b>	<b>(5,982)</b>	<b>13,381</b>	<b>7,442</b>

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

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000
Tangible fixed assets	-	-	13,747	13,747
Current assets	28	1,146	-	1,174
Creditors due within one year	-	(611)	-	(611)
Provisions for liabilities and charges	-	(4,891)	-	(4,891)
<b>Total</b>	<b>28</b>	<b>(4,356)</b>	<b>13,747</b>	<b>9,419</b>

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

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Net (expenditure)/income for the period (as per Statement of Financial Activities)	<b>(998)</b>	<b>3,607</b>
<b>Adjustments for:</b>		
Depreciation	<b>399</b>	<b>346</b>
Capital grants from DfE and other capital income	<b>(35)</b>	<b>(84)</b>
Defined benefit pension scheme obligation inherited	<b>-</b>	<b>616</b>
Defined benefit pension scheme cost less contributions payable	<b>467</b>	<b>410</b>
Defined benefit pension scheme finance cost	<b>89</b>	<b>78</b>
Decrease in stocks	<b>4</b>	<b>2</b>
Decrease/(increase) in debtors	<b>119</b>	<b>(114)</b>
(Decrease)/increase in creditors	<b>(13)</b>	<b>202</b>
Net assets transferred from Local Authority	<b>-</b>	<b>(4,953)</b>
<b>Net cash provided by operating activities</b>	<b>32</b>	<b>110</b>

**21. Cash flows from investing activities**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Purchase of tangible fixed assets	<b>(33)</b>	<b>(28)</b>
Capital grants from DfE Group	<b>36</b>	<b>84</b>
Cash transferred on conversion to an academy trust	<b>-</b>	<b>73</b>
<b>Net cash provided by investing activities</b>	<b>3</b>	<b>129</b>

**22. Analysis of cash and cash equivalents**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Cash in hand	<b>784</b>	<b>749</b>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**23. Pension commitments**

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Nottinghamshire County Council and Derbyshire County Council. 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 £111,795 were payable to the schemes at 31 August 2020 (2019 - £91,092) and are included within creditors.

**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 and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers 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. 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% employer administration charge)
- 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 £590,000 (2019 - £391,000).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

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**23. 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 £455,000 (2019 - £377,000), of which employer's contributions totalled £348,000 (2019 - £286,000) and employees' contributions totalled £107,000 (2019 - £91,000). The agreed contribution rates for future years are 18.3 per cent for employers and 5.5 to 12.5 per cent for employees.

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

**Principal actuarial assumptions**

	2020 %	2019 %
Rate of increase in salaries	2.90 - 3.70	2.80 - 3.70
Rate of increase for pensions in payment/inflation	2.20 - 2.30	2.15 - 2.30
Discount rate for scheme liabilities	1.60 - 1.70	1.85 - 1.90
RPI increases	3.00 - 3.10	3.15 - 3.20

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	21.6 - 21.8	21.7 - 21.9
Females	23.7 - 24.4	24.4
<i>Retiring in 20 years</i>		
Males	22.6 - 23.2	23.3 - 23.9
Females	25.1 - 25.9	26.2 - 26.5

**Sensitivity analysis**

	2020 £000	2019 £000
Discount rate +0.1%	11,230	9,313
Discount rate -0.1%	11,813	9,799
Mortality assumption - 1 year increase	11,926	9,901
Mortality assumption - 1 year decrease	11,125	9,217
Adjustment to pension increases +0.1%	11,776	9,765
Adjustment to pension increases -0.1%	11,266	9,346

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**23. Pension commitments (continued)**

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

	<b>At 31 August 2020 £000</b>	<i>At 31 August 2019 £000</i>
Equities	3,049	2,902
Gilts	185	143
Debt instruments	485	451
Property	652	600
Cash and other liquid assets	211	150
Other	510	416
<b>Total market value of assets</b>	<b>5,092</b>	<b>4,662</b>

The actual return on scheme assets was £148,000 (2019 - £193,000).

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

	<b>2020 £000</b>	<i>2019 £000</i>
Current service cost	814	596
Past service cost	-	101
Net interest cost	89	78
Administrative expenses	1	1
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>904</b>	<b>776</b>

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

	<b>2020 £000</b>	<i>2019 £000</i>
<b>At 1 September</b>	<b>9,553</b>	<b>6,108</b>
Conversion of academy trusts	-	1,446
Current service cost	814	596
Interest cost	179	180
Employee contributions	107	91
Actuarial losses	931	1,057
Benefits paid	(66)	(26)
Past service costs	-	101
<b>At 31 August</b>	<b>11,518</b>	<b>9,553</b>

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**23. Pension commitments (continued)**

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

	2020 £000	2019 £000
<b>At 1 September</b>	<b>4,662</b>	<b>3,289</b>
Conversion of academy trusts	-	830
Interest on assets	90	102
Actuarial (losses)/gains	(48)	91
Employer contributions	348	286
Employee contributions	107	91
Benefits paid	(66)	(26)
Administrative expenses	(1)	(1)
<b>At 31 August</b>	<b>5,092</b>	<b>4,662</b>

**24. Operating lease commitments**

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

	2020 £000	2019 £000
Not later than 1 year	41	26
Later than 1 year and not later than 5 years	45	27
	<b>86</b>	<b>53</b>

An academy in the Trust entered into a 20 year commitment, commencing in 2016, for the use of a Biomass Boiler. The school was not a member of the Trust at the time. However, the Trust only has to pay for the energy used, which cannot be accurately quantified in advance and therefore no financial commitment is disclosed in the operating lease commitment note.

**25. Related party transactions**

Owing to the nature of the Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a Trustee has 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 academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place during the period.

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**26. 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.