

Registered number: 09341839

**SHINE Academies**

Trustees' Report and Financial Statements

For the Year Ended 31 August 2019



**SHINE Academies**  
**(A Company Limited by Guarantee)**

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**SHINE Academies**  
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**Reference and Administrative Details**

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<b>Members</b>	G Bladon C Coultham (appointed 10 December 2018) K Marshall C Nightingale (appointed 16 September 2019) C Tagg (resigned 31 August 2019) T Westwood (resigned 20 June 2019)
<b>Trustees</b>	C Tagg, Chair (resigned 31 August 2019) C Nightingale, Vice Chair (resigned 15 February 2019) G Bladon, Vice Chair from 7 March 2019 G Gentle G Morris, Chief Executive Officer C Pook J Purcell (appointed 7 February 2019) A Wilkinson (appointed 12 February 2019)
<b>Company registered number</b>	09341839
<b>Company name</b>	SHINE Academies
<b>Principal and registered office</b>	Collingwood Road Bushbury Wolverhampton West Midlands WV10 8DS
<b>Company secretary</b>	G Draycott
<b>Senior management team</b>	G Morris, Chief Executive Officer G Draycott, Chief Operating Officer M Price, Executive Head Teacher N Boys, Head Teacher (Lodge Farm Primary School) R Joannou, Head Teacher (Northwood Park Primary School) - resigned January 2019 L Westwood, Head Teacher (Villiers Primary School) R Cook, Acting Head Teacher (Northwood Park Primary School) S Field, Interim Head Teacher (Lodge Farm Primary School)
<b>Independent auditors</b>	Dains LLP 15 Colmore Row Birmingham B3 2BH

**SHINE Academies**  
**(A Company Limited by Guarantee)**

**Trustees' Report**  
**For the Year Ended 31 August 2019**

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The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

**Structure, governance and management**

**a. Constitution**

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

The charitable company's Memorandum of Association is the primary governing document of the Multi-Academy Trust.

The Trustees of SHINE Academies are also the directors of the charitable company for the purposes of company law.

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

**b. Members' liability**

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

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

The management of the Multi-Academy Trust is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum of Association.

Parent elections take place when parent Governor vacancies are available. Governors are co-opted by the Board of Trustees where skills gaps are identified.

The Board of Trustees carry out an annual skills audit to identify any skills gaps and where there are vacancies, work to target individuals with the skills required. Regular CPD and skills updates are available for all Trustees and Local Body Governors.

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

The Trust purchases a Governance SLA which includes a full training programme for Trustees. All Trustees receive details of the training available. New Trustees are invited to visit the schools and meet with any link staff relevant to their role on the Board of Trustees.

Trustees attended a strategic planning day in March 2019, working alongside Governance specialists from another MAT. This day was invaluable to all involved.

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

**e. Organisational structure**

SHINE Academies have continued in a period of growth with the addition of Busill Jones in December 2019, SHINE Academies has successfully been offering interim support since September 2018.

The Trust achieved great success in November 2018 following an Ofsted inspection at Lodge Farm, which moved the school from its original Serious Weaknesses / Inadequate grade to a comfortable Good.

The Trustee and Members Boards consist of highly skilled professionals, who are responsible for establishing an overall framework for the governance of the academies. The Board of Trustees has overall responsibility for setting general policy, adopting an annual plan and budget, monitoring the use of the budget, making strategic decisions about the direction of the company and senior staff appointments. The Trust successfully appointed new Trustees in 2018/19 further strengthening its skill set. Additional Local Governors have also strengthened the Local Boards.

Trustees met six times during the year. Two new committees have been implemented to sit alongside the Trust Board (consisting of Trustees only). The new Audit and Risk Committee and Performance and Standards Committees were effective September 2018, with their first meetings held on 11 March 2019 and 2 October 2018 respectively.

The Trust's Chief Executive Officer is the Accounting Officer and the Trustees are responsible for the performance management of the Chief Executive Officer.

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

The Board of Trustees adopts a Pay Policy which is reviewed on an annual basis. The Governing Body is involved in the recruitment process for all Leadership positions and the staffing structure is reviewed annually. A Pay Committee, made up of three independent Trustees, reviews pay for all staff on an annual basis.

**g. Trade union facility time**

The Multi-Academy Trust has no employees who are relevant union officials.

## **Objectives and activities**

### **a. Objects and aims**

The SHINE Academies vision is to 'STRIVE in HARMONY to INSPIRE, NURTURE and EXCEL' and our clear stated ethos is to provide a high quality educational experience in a safe, creative and exciting learning environment. SHINE Academies sets high expectations for our pupils and for our staff.

### **b. Objectives, strategies and activities**

SHINE Academies offers excellent facilities and opportunities for its pupils, many of whom come from very challenging backgrounds. The Trust takes pride in offering its students the best possible support during their time in the Academy and in helping them to become Secondary ready. The Trust offers many varied and unique facilities for its students to help them to achieve their full potential in the future.

Shine Academies recognises that it must constantly evolve to deliver the best possible provision in our communities. We are an outward, forward thinking organisation and must always be ready to innovate. In the same way, the Trust wants others to recognise the brand 'SHINE Academies' as a provider of excellent services.

SHINE Academies works hard to engender a sense of belonging. Whether a pupil, employee or someone involved in the governance of our academies, we want all of you to feel part of our family of schools. Like all families, we want the best but we are also there to support each other when things get tough. We have proved time and again that this works to all our advantages.

Each school has its own identity and each one makes its own valuable contribution to the organisation as a whole.

### **c. Public benefit**

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

## **Strategic report**

### **Achievements and performance**

#### **a. Review of activities and key performance indicators**

SHINE Academies is a growing, successful multi-academy trust based in the West Midlands. Northwood Park Primary School became a Single Academy Trust in January 2015. The Academy converted to a Multi-Academy Trust (MAT) - Northwood Park Educational Trust - when it successfully became an approved sponsor school in April 2015.

Since then, Lodge Farm joined the MAT as a sponsored academy in April 2016. This was a school that was seriously under-performing and became part of the Trust to benefit from the shared expertise, vision, resources and partnership that the Trust offers.

In April 2018, Villiers Primary School joined the Trust as a 'Good' school, thus increasing the Trust's capacity to support future schools.

The impact of the MAT is best demonstrated in the improvement that has been made at Lodge Farm. This was a failing school before academy conversion took place and served a community situated in one of the most deprived wards in the West Midlands. This school had been in special measures for over three years and yet in just 9 weeks of support, Ofsted removed the special measures and we awaited the first inspection following academisation. In November 2018, this hard work was recognised with a 'Good' Ofsted rating, the first the school had ever achieved!

In January 2018, we established a successful link with a larger, more experienced, successful MAT to work in partnership with through the next 12 months. This has been a turning point for our Trust, making us more strategic and with an in-depth understanding of the value of growth within a MAT.

Following the success of our sponsored school, Lodge Farm have had the opportunity to share our expertise with Busill Jones, Walsall. SHINE has provided interim support to Busill Jones Primary School since September 2018, ahead of the legal conversion process and this has enabled us to spend time building capacity to ensure we have the foundations for successful future growth. The latest HMI inspection demonstrates the progress that has already been made in such a short space of time.

With the addition of Busill Jones we are now responsible for the education of over 1,900 pupils in the West Midlands. We have also been approached by the DfE to consider sponsoring another school in a neighbouring authority.

In the coming years, we hope more schools will join the SHINE Academies family so that collectively we can grow in strength and ensure that even more children receive the same quality education. The Trust is well placed to support schools in the process of becoming academies by joining our Trust. Our experience of the academy sector means that we can make the transition to academy status as smooth as possible and offer support every step of the way.

The Trust Head Office is based at Northwood Park Primary School, in the North of the city of Wolverhampton, just 5 mins away from the M54 thus meaning that it can travel to 6 other local authorities within 30 mins – Telford & Wrekin, Shropshire, Staffordshire, Walsall, Sandwell and Dudley.

Key performance indicators used to analyse the performance of the schools are;

- Monitoring of standards of attainment
- ASP data
- Number of pupils on roll
- Attendance

Strategic report (continued)

Achievements and performance (continued)

Monitoring of standards of attainment

		Lodge Farm Primary School 2019 %		Northwood Park Primary School 2019 %		Villiers Primary School 2019 %	
		Exp	Exc	Exp	Exc	Exp	Exc
Reception	GLD	73		71		76	
Phonics	Year 1 Phonics	82		82		84	
	Year 2 Phonics	95		94		94	
Year 2	Reading	73	11	79	35	78	27
	Writing	66	9	75	18	73	22
	Maths	75	7	80	26	78	25
	Science	91		82		81	
Year 6	Reading	60	7	52	9	70	27
	Writing	73	4	80	22	78	28
	Maths	69	16	52	9	73	34
	GPS	67	27	71	26	77	36
	Science	84		87		80	
	Combined	49	0	43	3	63	14

b. Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Multi-Academy 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.



**SHINE Academies**  
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**Trustees' Report (continued)**  
**For the Year Ended 31 August 2019**

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**Strategic report (continued)**

**Financial review**

**a. Reserves policy**

Most of the Multi-Academy Trust's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants from the DfE during the year ended 31 August 2019 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Multi-Academy Trust also receives grants for fixed assets from the DfE and these are shown in the Statement of financial activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the academy's accounting policies.

During the year ended 31 August 2019, total expenditure (before depreciation and movements on the pension reserve) of £7,244,918 was covered by recurrent revenue grant funding from the DfE, together with other incoming revenue resources of £8,176,835. The excess of income over expenditure before depreciation, transfers and pension reserve movements for the year was £931,917.

At 31 August 2019, the net book value of fixed assets was £8,559,528 and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the academy.

The Trustees recognise that the defined benefit scheme deficit (Local Government Pension Scheme) which is set out in Note 22 to the financial statements, represents a significant potential liability. However, as the Governors consider that the Multi-Academy Trust is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

Key financial policies adopted or reviewed during the period include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Head Teachers, senior leaders, budgets holders and other staff, as well as delegated authority for spending.

The Trust has ringfenced contributions for CIF bids across three schools, as shown in designated funds in note 17.

**b. Principal risks and uncertainties**

The principal risks facing the Multi-Academy Trust are as follows:

- damage to school buildings, e.g. flooding/fire
- late payment of grant funding impacting on cash flow
- long-term illness of Head Teachers or key personnel
- available school places cannot meet demand
- loss of teaching staff to higher paid posts

**c. Fundraising**

The Multi-Academy Trust does not have a distinct policy for fundraising. However, academies within the Multi-Academy Trust fundraise by way of funding bids to regulators such as the ESFA, and via Parent-Teacher Association events.

**SHINE Academies**  
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**Trustees' Report (continued)**  
**For the Year Ended 31 August 2019**

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**Plans for future periods**

SHINE Academies recognises the need to grow and does so at a sensible pace. The Trust has been recognised for transforming failing schools and having significant capacity for school improvement, family support, safeguarding and business functions.

It is anticipated that the Trust will grow to 5 schools by September 2020.

The Trust has a detailed Development and Business Plan which are the foundation of the strategic growth plan. Each school has an individual School Development Plan which is regularly annotated and forms the basis of much of the full Local Governing Body meetings.

The Leadership Team and Trustees continually measure performance, ensuring high standards at all times.

A new financial system was successfully implemented in September 2018.

Both Villiers Primary School and Northwood Park Primary School were awarded successful CIF bids in 2018/19 with projects largely completed during Summer 2019.

**Funds held as custodian on behalf of others**

The Multi-Academy Trust does not hold any funds as custodian.

**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 13 December 2019 and signed on its behalf by:



**G Bladon**  
**Chair of Trustees**

**SHINE Academies**  
**(A Company Limited by Guarantee)**

**Governance Statement**

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**Scope of responsibility**

As Trustees, we acknowledge we have overall responsibility for ensuring that SHINE Academies 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 Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between SHINE Academies 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 5 times during the year.

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

Trustee	Meetings attended	Out of a possible
C Tagg, Chair (resigned 31 August 2019)	3	5
C Nightingale, Vice Chair (resigned 15 February 2019)	3	3
G Bladon, Vice Chair from 7 March 2019	5	5
G Gentle	3	5
G Morris, Chief Executive Officer	4	5
C Pook	4	5
J Purcell (appointed 7 February 2019)	2	2
A Wilkinson (appointed 12 February 2019)	0	2

The Trust currently has three vacancies at Trust Board level and one at Member level. We have identified both the skills required and ideal candidates and have meetings arranged with a view to appointing.

An external Governance review has been commissioned for January 2020.

The Finance and General Purposes Committee is a sub-committee of the main Board of Trustees. Its purpose is to be responsible for financial scrutiny and oversight, including budget monitoring.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
C Nightingale, Chair up to 15 February 2019	4	4
C Pook, Chair from 4 April 2019	7	7
G Bladon	2	2
G Morris	7	7
C Tagg	2	2

**SHINE Academies**  
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**Governance Statement (continued)**

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**Governance (continued)**

The Audit and Risk Committee is also a sub-committee of the main board of Trustees. This new committee was set up during the year and its purpose is to provide assurance to the Board over the suitability of, and compliance with, financial systems and operational controls, and to ensure that risks are being adequately identified and managed.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
C Tagg, Chair (resigned 31 August 2019)	2	2
G Gentle	1	2
A Wilkinson	2	2

**Review of value for money**

As Accounting Officer, the Chief Executive Officer has responsibility for ensuring that the Multi-Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Multi-Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Multi-Academy Trust has delivered improved value for money during the year, as follows;

During the last financial year, SHINE Academies has continued to take steps to ensure that children receive the best education whilst achieving best value with the funding available.

Using the Trust and School Development Plans, the Trust has ensured that there is a continued focus on key areas which has included ensuring the academies successfully identify key areas for development allocating the adequate resources to raise standards.

A review of the organisational structure is conducted annually, and reviewed throughout the year to ensure that our resources are used effectively. A full budget review is conducted every half term.

Income is generated from parents for school trips, dinners, breakfast club and music exams. All schools use ParentPay, ensuring that the schools are cashless and processes are robust.

Extensive refurbishment work has been undertaken at Northwood Park, Villiers and Lodge Farm Primary School and an independent party managed the entire tendering and project management process to ensure value.

SHINE Academies has robust financial procedures in place and staff are fully trained and competent in the processes, which are duplicated in both academies.

The Trust has produced a detailed financial analysis of how pupil premium funding was spent and the impact of the funding for individual pupils which is available on the schools website.

The Trust has internal controls in place to ensure strict financial procedures are followed. An Internal Auditor is appointed to make independent checks. The management receives regular budget reports which are analysed to identify areas of overspend and underspend. Regular monitoring ensures the best use of resources and prevents waste. Bank balances are carefully monitored. The last internal audit for each academy deemed processes to be outstanding.

The Trust purchases a commercial insurance package and also a staff absence insurance to ensure it has adequate cover to manage risks.

**Governance Statement (continued)**

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**Review of value for money (continued)**

The Trust regularly applies for suitable additional funding.

There is a constant desire within the trust to improve through better systems that lead to better outcomes for pupils and achieving best value is key to our success.

**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 Multi-Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in SHINE Academies for the year 1 September 2018 to 31 August 2019 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 Multi-Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Multi-Academy Trust's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 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 Multi-Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Trustees
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- 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 M3 as internal auditor.

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

- Purchasing
- Income
- Budget planning and control
- Payroll
- Internal financial controls

**Governance Statement (continued)**

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**The risk and control framework (continued)**

On a termly basis, the internal auditor reports to the Board of Trustees through the Finance and General Purposes committee, then subsequently the Audit and Risk committee, on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

The internal auditor has delivered their schedule of work as planned.

**Review of effectiveness**

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

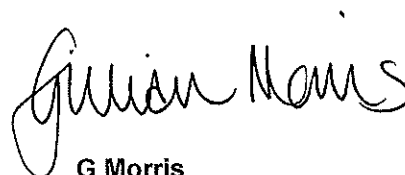
- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Multi-Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and General Purposes committee, then subsequently the Audit and Risk 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 on 13 December 2019 and signed on their behalf by:



**G Bladon**  
**Chair of Trustees**



**G Morris**  
**Accounting Officer**

**SHINE Academies**  
**(A Company Limited by Guarantee)**

**Statement on Regularity, Propriety and Compliance**

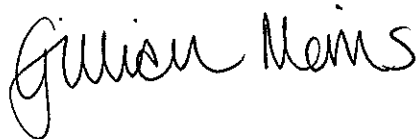
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As Accounting Officer of SHINE Academies I have considered my responsibility to notify the Multi-Academy Trust board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Multi-Academy Trust, under the funding agreement in place between the Multi-Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Multi-Academy Trust board of Trustees are able to identify any material irregular or improper use of all funds by the Multi-Academy Trust, or material non-compliance with the terms and conditions of funding under the Multi-Academy Trust's funding agreement and the Academies Financial Handbook 2018.

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.

**G Morris**  
**Accounting Officer**  
Date: 13 December 2019



**SHINE Academies**  
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**Statement of Trustees' responsibilities**  
**For the Year Ended 31 August 2019**

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements 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 on 13 December 2019 and signed on its behalf by:



**G Bladon**  
**Chair of Trustees**



**Independent Auditors' Report on the financial statements to the Members of SHINE Academies**

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**Opinion**

We have audited the financial statements of SHINE Academies (the 'multi-academy trust') for the year ended 31 August 2019 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 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Multi-Academy Trust's affairs as at 31 August 2019 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 2018 to 2019 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 Multi-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 Multi-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.

**Independent Auditors' Report on the financial statements to the Members of SHINE Academies**  
**(continued)**

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**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 Multi-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.

**Independent Auditors' Report on the financial statements to the Members of SHINE Academies**  
**(continued)**

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**Responsibilities of trustees**

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

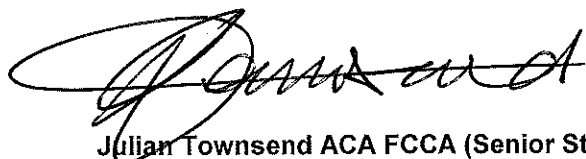
**Auditors' responsibilities for the audit of the financial statements**

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 charitable Multi-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 charitable Multi-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 charitable Multi-Academy Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Julian Townsend ACA FCCA (Senior Statutory Auditor)**

for and on behalf of  
**Dains LLP**

Statutory Auditor  
Chartered Accountants

Birmingham

13 December 2019

**SHINE Academies**  
**(A Company Limited by Guarantee)**

**Independent Reporting Accountant's Assurance Report on Regularity to SHINE Academies and the Education & Skills Funding Agency**

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In accordance with the terms of our engagement letter dated 26 September 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by SHINE Academies during the year 1 September 2018 to 31 August 2019 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 Academies and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to SHINE Academies 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 Academies and ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of SHINE Academies's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of SHINE Academies's funding agreement with the Secretary of State for Education dated 31 March 2016 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 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 2018 to 2019 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 Multi-Academy Trust's income and expenditure.

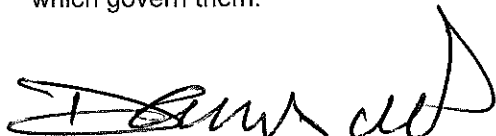
**SHINE Academies**  
**(A Company Limited by Guarantee)**

**Independent Reporting Accountant's Assurance Report on Regularity to SHINE Academies and the Education & Skills Funding Agency (continued)**

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**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 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**Dains LLP**

Statutory Auditor  
Chartered Accountant

Birmingham

Date: 13 December 2019

**SHINE Academies**  
**(A Company Limited by Guarantee)**

**Statement of financial activities (incorporating income and expenditure account)**  
**For the Year Ended 31 August 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>Income from:</b>						
Donations and capital grants:	3					
Transfer from local authority on conversion		-	-	-	-	1,326,929
Other donations and capital grants		35,103	-	848,170	883,273	807,900
Charitable activities:						
Funding for Academy's Educational Operations		388,495	7,693,220	-	8,081,715	5,985,494
Other trading activities		55,158	-	-	55,158	20,734
Investments	6	4,859	-	-	4,859	362
<b>Total income</b>		<b>483,615</b>	<b>7,693,220</b>	<b>848,170</b>	<b>9,025,005</b>	<b>8,141,419</b>
<b>Expenditure on:</b>						
Raising funds		23,079	2,803	-	25,882	14,599
Charitable activities		79,980	7,409,235	209,685	7,698,900	5,872,470
<b>Total expenditure</b>		<b>103,059</b>	<b>7,412,038</b>	<b>209,685</b>	<b>7,724,782</b>	<b>5,887,069</b>
<b>Net income</b>		<b>380,556</b>	<b>281,182</b>	<b>638,485</b>	<b>1,300,223</b>	<b>2,254,350</b>
Transfers between funds	17	-	(441,243)	441,243	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>380,556</b>	<b>(160,061)</b>	<b>1,079,728</b>	<b>1,300,223</b>	<b>2,254,350</b>
<b>Other recognised gains/(losses):</b>						
Actuarial (losses)/gains on defined benefit pension schemes	23	-	(746,000)	-	(746,000)	447,000
<b>Net movement in funds</b>		<b>380,556</b>	<b>(906,061)</b>	<b>1,079,728</b>	<b>554,223</b>	<b>2,701,350</b>

**SHINE Academies**  
**(A Company Limited by Guarantee)**

**Statement of financial activities (incorporating income and expenditure account) (continued)**  
**For the Year Ended 31 August 2019**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>Reconciliation of funds:</b>					
Total funds brought forward	573,719	(3,950,801)	7,419,542	4,042,460	1,341,110
Net movement in funds	380,556	(906,061)	1,079,728	554,223	2,701,350
<b>Total funds carried forward</b>	<b>954,275</b>	<b>(4,856,862)</b>	<b>8,499,270</b>	<b>4,596,683</b>	<b>4,042,460</b>

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

The notes on pages 24 to 51 form part of these financial statements.

SHINE Academies  
(A Company Limited by Guarantee)

Balance Sheet  
For the Year Ended 31 August 2019

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	13	8,559,528	7,475,332
<b>Current assets</b>			
Debtors	14	1,131,258	1,124,209
Cash at bank and in hand		788,735	1,200,405
		<u>1,919,993</u>	<u>2,324,614</u>
Creditors: amounts falling due within one year	15	(498,112)	(1,392,760)
<b>Net current assets</b>		<u>1,421,881</u>	<u>931,854</u>
<b>Total assets less current liabilities</b>		<u>9,981,409</u>	<u>8,407,186</u>
Creditors: amounts falling due after more than one year	16	(52,726)	(52,726)
<b>Net assets excluding pension liability</b>		<u>9,928,683</u>	<u>8,354,460</u>
Defined benefit pension scheme liability	23	(5,332,000)	(4,312,000)
<b>Total net assets</b>		<u><u>4,596,683</u></u>	<u><u>4,042,460</u></u>
<b>Funds of the Multi-Academy Trust</b>			
<b>Restricted funds:</b>			
Fixed asset funds	17	8,499,270	7,419,542
Restricted income funds	17	475,138	361,199
Restricted funds excluding pension asset	17	<u>8,974,408</u>	<u>7,780,741</u>
Pension reserve	17	(5,332,000)	(4,312,000)
<b>Total restricted funds</b>	17	<u>3,642,408</u>	<u>3,468,741</u>
<b>Unrestricted income funds</b>	17	<u>954,275</u>	<u>573,719</u>
<b>Total funds</b>		<u><u>4,596,683</u></u>	<u><u>4,042,460</u></u>

The financial statements on pages 20 to 51 were approved by the Trustees, and authorised for issue on 13 December 2019 and are signed on their behalf, by:



**G Bladon**  
Chair of Trustees

The notes on pages 24 to 51 form part of these financial statements.



**SHINE Academies**  
**(A Company Limited by Guarantee)**

**Statement of Cash Flows**  
**For the Year Ended 31 August 2019**

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	<b>Note</b>	<b>2019</b> <b>£</b>	<b>2018</b> <b>£</b>
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	19	<b>25,361</b>	813,409
<b>Cash flows from investing activities</b>	20	<b>(437,031)</b>	(505,662)
<b>Change in cash and cash equivalents in the year</b>		<b>(411,670)</b>	307,747
Cash and cash equivalents at the beginning of the year		<u><b>1,200,405</b></u>	<u>892,658</u>
<b>Cash and cash equivalents at the end of the year</b>	21	<u><b>788,735</b></u>	<u>1,200,405</u>

The notes on pages 24 to 51 form part of these financial statements

**1. Accounting policies**

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

**1.1 Basis of preparation of financial statements**

The financial statements of the Multi-Academy 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

SHINE Academies meets the definition of a public benefit entity under FRS 102.

**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 Multi-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 Multi-Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Multi-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. Accounting policies (continued)

1.3 Income

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

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

1.4 Expenditure

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

• **Expenditure on raising funds**

This includes all expenditure incurred by the Multi-Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

**1. Accounting policies (continued)**

**1.5 Interest receivable**

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

**1.6 Tangible fixed assets**

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Depreciation is provided on the following bases:

Long-term leasehold buildings	- 2% straight line
Long-term leasehold land	- over 125 year lease term
Leasehold improvements	- 10% straight line
Fixtures and fittings	- 20% straight line
Computer equipment	- 25% straight line
Assets under construction	- Not depreciated

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to leasehold land and buildings.

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

**1.7 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**1.8 Cash at bank and in hand**

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

**1. Accounting policies (continued)**

**1.9 Liabilities**

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

**1.10 Financial instruments**

The Multi-Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Multi-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 14. Prepayments are not financial instruments. Amounts due to the Multi-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 notes 15 and 16. 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 Multi-Academy Trust's wholly owned subsidiary are held at face value less any impairment.

**1. Accounting policies (continued)**

**1.11 Pensions**

Retirement benefits to employees of the Multi-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 Multi-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 Multi-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.

**1.12 Fund accounting**

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

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

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

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

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

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

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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.

Critical areas of judgement:

**Depreciation and residual values**

Tangible fixed assets are depreciated over their useful lives, taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

SHINE Academies  
(A Company Limited by Guarantee)

Notes to the Financial Statements  
For the Year Ended 31 August 2019

3. Income from donations and capital grants

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Transfer from local authority on conversion	-	-	-	-	1,326,929
Educational visits	32,000	-	-	<b>32,000</b>	32,716
Donations	3,103	-	-	<b>3,103</b>	15,821
Capital Grants	-	-	848,170	<b>848,170</b>	759,363
	<u>35,103</u>	<u>-</u>	<u>848,170</u>	<u><b>883,273</b></u>	<u>2,134,829</u>
<b>Total 2018</b>	<u>294,068</u>	<u>(1,967,000)</u>	<u>3,807,761</u>	<u>2,134,829</u>	



**SHINE Academies**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2019**

**4. Funding for the Multi-Academy Trust's educational operations**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	6,079,293	<b>6,079,293</b>	4,675,890
Start Up Grants	-	-	-	25,000
Pupil Premium	-	748,862	<b>748,862</b>	613,643
Universal Infant Free School Meals grant	-	152,846	<b>152,846</b>	116,534
PE and Sports grant	-	60,660	<b>60,660</b>	48,865
Rates relief	-	26,797	<b>26,797</b>	8,446
	-	7,068,458	<b>7,068,458</b>	5,488,378
<b>Other government grants</b>				
Special needs income	-	95,274	<b>95,274</b>	49,922
Local Authority grants	-	230,780	<b>230,780</b>	236,539
Local Authority Pupil Premium	-	46,810	<b>46,810</b>	-
Other funding	-	46,840	<b>46,840</b>	10,337
	-	419,704	<b>419,704</b>	296,798
<b>Other funding</b>				
Catering income	-	62,510	<b>62,510</b>	46,407
Insurance claims	-	72,548	<b>72,548</b>	52,908
School support income	-	70,000	<b>70,000</b>	71,076
Extended school activities	-	-	-	29,927
Other income	388,495	-	<b>388,495</b>	-
	388,495	7,693,220	<b>8,081,715</b>	5,985,494
<b>Total 2018</b>	<b>101,003</b>	<b>5,884,491</b>	<b>5,985,494</b>	

SHINE Academies  
(A Company Limited by Guarantee)

Notes to the Financial Statements  
For the Year Ended 31 August 2019

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5. Income from other trading activities

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Music income	3,766	<b>3,766</b>	2,276
General sales income	48,134	<b>48,134</b>	11,653
Fundraising activities	3,258	<b>3,258</b>	6,805
	<u>55,158</u>	<u><b>55,158</b></u>	<u>20,734</u>

6. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest received	4,859	<b>4,859</b>	362

**SHINE Academies**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2019**

**7. Expenditure**

	<b>Staff Costs</b> 2019 £	<b>Premises</b> 2019 £	<b>Other</b> 2019 £	<b>Total</b> 2019 £	<b>Total</b> 2018 £
Expenditure on raising voluntary income:					
Direct costs	-	-	23,079	<b>23,079</b>	14,599
Expenditure on trading activities:					
Direct costs	-	-	2,803	<b>2,803</b>	-
Educational Operations:					
Direct costs	4,786,064	109,556	478,414	<b>5,374,034</b>	4,255,292
Support costs	916,912	296,473	1,111,481	<b>2,324,866</b>	1,617,178
	<u>5,702,976</u>	<u>406,029</u>	<u>1,615,777</u>	<u><b>7,724,782</b></u>	<u>5,887,069</u>
<b>Total 2018</b>	<u>-</u>	<u>-</u>	<u>5,887,069</u>	<u>5,887,069</u>	

**SHINE Academies**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2019**

**8. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2019 £</b>	<b>Support costs 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Educational Operations	5,374,034	2,324,866	<b>7,698,900</b>	5,872,470
<b>Total 2018</b>	<b>4,255,292</b>	<b>1,617,178</b>	<b>5,872,470</b>	

**Analysis of direct costs**

	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
LGPS finance costs	<b>109,000</b>	85,000
Staff costs	<b>4,776,992</b>	3,681,706
Depreciation	<b>205,864</b>	151,476
Educational supplies	<b>124,293</b>	199,692
Staff development	<b>32,121</b>	31,443
Technology costs	<b>16,469</b>	13,579
Educational consultancy	<b>97,699</b>	54,079
Supply teachers	<b>9,072</b>	22,875
Other direct costs	<b>2,524</b>	15,442
	<b>5,374,034</b>	4,255,292

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

**Analysis of support costs**

	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Staff costs	916,912	581,560
Technology costs	86,312	31,880
Professional and consultancy services	237,244	227,578
Catering costs	359,849	250,571
Educational visits costs	69,070	53,806
Maintenance	89,421	108,110
Cleaning	26,491	20,004
Rates	17,814	15,230
Water rates	28,215	22,289
Energy	92,022	79,294
Insurance	151,075	99,767
Motor and travel costs	2,565	9,202
Postage, stationery, telephone and other costs	177,009	78,000
Governance costs	70,867	39,887
	<u>2,324,866</u>	<u>1,617,178</u>

**9. Net income**

Net income for the year includes:

	<b>2019 £</b>	<b>2018 £</b>
Depreciation of tangible fixed assets	205,864	151,476
Fees paid to auditors for:		
- audit	11,675	10,450
- other services	975	950
	<u>11,675</u>	<u>10,450</u>

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**10. Staff costs**

**a. Staff costs**

Staff costs during the year were as follows:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>4,213,579</b>	3,225,364
Social security costs	<b>377,002</b>	285,187
Pension costs	<b>1,103,323</b>	752,715
	<b>5,693,904</b>	4,263,266
Agency staff costs	<b>9,072</b>	22,875
	<b>5,702,976</b>	4,286,141

**b. Staff numbers**

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

	<b>2019</b>	<b>2018</b>
	<b>No.</b>	<b>No.</b>
Teachers	<b>62</b>	62
Admin and support	<b>148</b>	133
Management	<b>9</b>	14
	<b>219</b>	209

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**10. Staff costs (continued)**

**c. Higher paid staff**

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

	<b>2019</b>	<b>2018</b>
	<b>No.</b>	<b>No.</b>
In the band £60,001 - £70,000	<b>5</b>	<b>1</b>
In the band £70,001 - £80,000	<b>1</b>	<b>1</b>
In the band £90,001 - £100,000	<b>-</b>	<b>1</b>
In the band £100,001 - £110,000	<b>1</b>	<b>-</b>

**d. Key management personnel**

The key management personnel of the Multi-Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer's national insurance) paid for the eight members of key management personnel for their services to the Multi-Academy Trust was £646,346 (2018 - £612,554 for eight members of key management personnel).

**SHINE Academies**  
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**11. Trustees' remuneration and expenses**

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Multi-Academy Trust. The Chief Executive Officer only receives remuneration in respect of services they provide undertaking the role of Chief Executive Officer under their contract of employment. The value of Trustees' remuneration and other benefits was as follows:

		<b>2019</b>	<b>2018</b>
		<b>£000</b>	<b>£000</b>
G Morris	Remuneration	<b>100 - 105</b>	95 - 100
	Pension contributions paid	<b>15 - 20</b>	10 - 15

During the year ended 31 August 2019, no Trustee expenses have been incurred (2018 - £Nil).

**12. Trustees' and Officers' insurance**

In accordance with normal commercial practice, the Multi-Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2019 was included in the total insurance cost of £22,140 (2018 - £36,178).

**13. Tangible fixed assets**

	<b>Long-term leasehold property</b>	<b>Leasehold improvements</b>	<b>Fixtures and fittings</b>	<b>Computer equipment</b>	<b>Assets under construction</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost or valuation</b>						
At 1 September 2018	<b>5,985,613</b>	<b>115,854</b>	<b>179,705</b>	<b>168,430</b>	<b>1,384,489</b>	<b>7,834,091</b>
Additions	-	<b>476,743</b>	<b>23,820</b>	<b>60,780</b>	<b>728,717</b>	<b>1,290,060</b>
Transfers between classes	-	<b>1,384,489</b>	-	-	<b>(1,384,489)</b>	-
At 31 August 2019	<b>5,985,613</b>	<b>1,977,086</b>	<b>203,525</b>	<b>229,210</b>	<b>728,717</b>	<b>9,124,151</b>
<b>Depreciation</b>						
At 1 September 2018	<b>195,973</b>	<b>18,868</b>	<b>68,186</b>	<b>75,732</b>	-	<b>358,759</b>
Charge for the year	<b>109,566</b>	<b>15,225</b>	<b>38,236</b>	<b>42,837</b>	-	<b>205,864</b>
At 31 August 2019	<b>305,539</b>	<b>34,093</b>	<b>106,422</b>	<b>118,569</b>	-	<b>564,623</b>
<b>Net book value</b>						
At 31 August 2019	<b>5,680,074</b>	<b>1,942,993</b>	<b>97,103</b>	<b>110,641</b>	<b>728,717</b>	<b>8,559,528</b>
At 31 August 2018	5,789,640	96,986	111,519	92,698	1,384,489	7,475,332



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**14. Debtors**

	2019 £	2018 £
<b>Due within one year</b>		
Trade debtors	-	758
Other debtors	422,538	270,435
Prepayments and accrued income	708,720	853,016
	<u>1,131,258</u>	<u>1,124,209</u>

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

	2019 £	2018 £
Other loans	7,532	7,532
Trade creditors	209,449	384,969
Other taxation and social security	1,649	-
Other creditors	29,456	19
Accruals and deferred income	250,026	1,000,240
	<u>498,112</u>	<u>1,392,760</u>
	2019 £	2018 £
Deferred income at 1 September 2018	138,106	59,955
Resources deferred during the year	93,983	138,106
Amounts released from previous periods	(138,106)	(59,955)
	<u>93,983</u>	<u>138,106</u>

At the balance sheet date the Multi-Academy Trust was holding Universal Infant Free School Meals funding, rates relief funding and devolved capital funding received in advance for Autumn 2019 and school trip income received in advance for trips occurring in the 2019/20 academic year.

Other loans is made up of an interest free "Salix" loan from the ESFA. The loan is repayable in total annual instalments of £7,532 until 2026.

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Notes to the Financial Statements  
For the Year Ended 31 August 2019

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16. Creditors: Amounts falling due after more than one year

	2019 £	2018 £
Other loans	<u>52,726</u>	<u>52,726</u>

Included within the above are amounts falling due as follows:

	2019 £	2018 £
<b>Between one and two years</b>		
Other loans	<u>7,532</u>	<u>7,532</u>
<b>Between two and five years</b>		
Other loans	<u>22,596</u>	<u>22,596</u>
<b>Over five years</b>		
Other loans	<u>22,598</u>	<u>22,598</u>

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	2019 £	2018 £
Payable or repayable by instalments	<u>22,598</u>	<u>22,598</u>
	<u>22,598</u>	<u>22,598</u>

Other loans is made up of an interest free "Salix" loan from the ESFA. The loan is repayable in total annual instalments of £7,532 until 2026.

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Notes to the Financial Statements  
For the Year Ended 31 August 2019

17. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>Unrestricted funds</b>						
<b>Designated funds</b>						
Large Trust building projects	-	-	-	157,250	-	157,250
<b>General funds</b>						
General Funds	573,719	483,615	(103,059)	(157,250)	-	797,025
<b>Total Unrestricted funds</b>	<b>573,719</b>	<b>483,615</b>	<b>(103,059)</b>	<b>-</b>	<b>-</b>	<b>954,275</b>
<b>Restricted general funds</b>						
General Annual Grant (GAG)	361,199	6,079,293	(5,584,111)	(441,243)	-	415,138
Other DfE / ESFA Grants	-	989,165	(989,165)	-	-	-
Other Government Grants	-	419,704	(419,704)	-	-	-
Other income	-	205,058	(145,058)	-	-	60,000
Pension reserve	(4,312,000)	-	(274,000)	-	(746,000)	(5,332,000)
	<b>(3,950,801)</b>	<b>7,693,220</b>	<b>(7,412,038)</b>	<b>(441,243)</b>	<b>(746,000)</b>	<b>(4,856,862)</b>
<b>Restricted fixed asset funds</b>						
Capital surplus transferred on conversion	17,254	-	-	-	-	17,254
Assets transferred on conversion	5,898,989	-	-	-	-	5,898,989
DfE / ESFA capital grants	778,876	788,170	(209,685)	-	-	1,357,361
Assets purchased from GAG	724,423	-	-	382,329	-	1,106,752
Other capital income	-	60,000	-	58,914	-	118,914
	<b>7,419,542</b>	<b>848,170</b>	<b>(209,685)</b>	<b>441,243</b>	<b>-</b>	<b>8,499,270</b>
<b>Total Restricted funds</b>	<b>3,468,741</b>	<b>8,541,390</b>	<b>(7,621,723)</b>	<b>-</b>	<b>(746,000)</b>	<b>3,642,408</b>
<b>Total funds</b>	<b>4,042,460</b>	<b>9,025,005</b>	<b>(7,724,782)</b>	<b>-</b>	<b>(746,000)</b>	<b>4,596,683</b>

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

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

**Large Trust building projects fund**

This fund relates to balances committed for large Trust building projects that are unfinished at 31 August 2019.

**Restricted general funds**

This fund represents grants and other income received for the Multi-Academy Trust's operational activities and development.

**Pension reserve**

The pension reserve included within restricted general funds represents the Multi-Academy Trust's share of the pension liability arising on the LGPS pension fund.

**Restricted fixed asset funds**

This fund represents grants received from the DfE and ESFA to carry out works of a capital nature.

**Transfers between funds**

Transfers between funds relate to fixed assets purchased from GAG.

Under the funding agreement with the Secretary of State, the Multi-Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

**Total funds analysis by academy**

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
Northwood Park Primary School	551,021	314,470
Lodge Farm Primary School	243,239	232,544
Villiers Primary School	633,796	387,904
Central Services	1,357	-
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	1,429,413	934,918
Restricted fixed asset fund	8,499,270	7,419,542
Pension reserve	(5,332,000)	(4,312,000)
	<hr/>	<hr/>
<b>Total</b>	<b>4,596,683</b>	<b>4,042,460</b>
	<hr/> <hr/>	<hr/> <hr/>

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

**Total cost analysis by academy**

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £	Total 2018 £
Northwood Park Primary School	1,567,600	746,037	66,404	720,626	<b>3,100,667</b>	2,975,496
Lodge Farm Primary School	973,528	367,335	38,211	348,001	<b>1,727,075</b>	1,709,747
Villiers Primary School	1,709,699	438,705	56,627	486,145	<b>2,691,176</b>	1,032,350
<b>Multi-Academy Trust</b>	<b>4,250,827</b>	<b>1,552,077</b>	<b>161,242</b>	<b>1,554,772</b>	<b>7,518,918</b>	<b>5,717,593</b>

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

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>						
General Funds	188,664	416,167	(31,112)	-	-	573,719
<b>Restricted general funds</b>						
General Annual Grant (GAG)	663,954	4,684,336	(4,291,326)	(695,765)	-	361,199
Other DfE / ESFA Grants	-	804,042	(804,042)	-	-	-
Other Government Grants	-	296,798	(296,798)	-	-	-
Other income	-	99,315	(99,315)	-	-	-
Pension reserve	(2,579,000)	(1,967,000)	(213,000)	-	447,000	(4,312,000)
	<u>(1,915,046)</u>	<u>3,917,491</u>	<u>(5,704,481)</u>	<u>(695,765)</u>	<u>447,000</u>	<u>(3,950,801)</u>
<b>Restricted fixed asset funds</b>						
Capital surplus transferred on conversion	17,254	-	-	-	-	17,254
Assets transferred on conversion	2,962,305	3,048,398	(111,714)	-	-	5,898,989
DfE / ESFA capital grants	24,391	759,363	(4,878)	-	-	778,876
Assets purchased from GAG	63,542	-	(34,884)	695,765	-	724,423
	<u>3,067,492</u>	<u>3,807,761</u>	<u>(151,476)</u>	<u>695,765</u>	<u>-</u>	<u>7,419,542</u>
<b>Total Restricted funds</b>	<u>1,152,446</u>	<u>7,725,252</u>	<u>(5,855,957)</u>	<u>-</u>	<u>447,000</u>	<u>3,468,741</u>
<b>Total funds</b>	<u><u>1,341,110</u></u>	<u><u>8,141,419</u></u>	<u><u>(5,887,069)</u></u>	<u><u>-</u></u>	<u><u>447,000</u></u>	<u><u>4,042,460</u></u>

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

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

	<b>Unrestricted funds 2019 £</b>	<b>Restricted funds 2019 £</b>	<b>Restricted fixed asset funds 2019 £</b>	<b>Total funds 2019 £</b>
Tangible fixed assets	-	-	8,559,528	<b>8,559,528</b>
Current assets	954,275	948,733	16,985	<b>1,919,993</b>
Creditors due within one year	-	(473,595)	(24,517)	<b>(498,112)</b>
Creditors due in more than one year	-	-	(52,726)	<b>(52,726)</b>
Provisions for liabilities and charges	-	(5,332,000)	-	<b>(5,332,000)</b>
<b>Total</b>	<b>954,275</b>	<b>(4,856,862)</b>	<b>8,499,270</b>	<b>4,596,683</b>

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

	<b>Unrestricted funds 2018 £</b>	<b>Restricted funds 2018 £</b>	<b>Restricted fixed asset funds 2018 £</b>	<b>Total funds 2018 £</b>
Tangible fixed assets	-	-	7,475,332	7,475,332
Current assets	573,719	1,009,392	741,503	2,324,614
Creditors due within one year	-	(648,193)	(744,567)	(1,392,760)
Creditors due in more than one year	-	-	(52,726)	(52,726)
Provisions for liabilities and charges	-	(4,312,000)	-	(4,312,000)
<b>Total</b>	<b>573,719</b>	<b>(3,950,801)</b>	<b>7,419,542</b>	<b>4,042,460</b>

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

	2019 £	2018 £
Net income for the year (as per Statement of Financial Activities)	1,300,223	2,254,350
<b>Adjustments for:</b>		
Depreciation	205,864	151,476
Capital grants from DfE and other capital income	(848,170)	(759,363)
Interest receivable	(4,859)	(362)
Defined benefit pension scheme obligation inherited	-	1,967,000
Defined benefit pension scheme cost less contributions payable	165,000	128,000
Defined benefit pension scheme finance cost	109,000	85,000
Increase in debtors	(7,049)	(805,910)
(Decrease)/increase in creditors	(894,648)	1,087,147
Net assets and liabilities from local authority on conversion	-	(3,048,398)
Surplus transferred upon conversion	-	(245,531)
<b>Net cash provided by operating activities</b>	<b>25,361</b>	<b>813,409</b>

**20. Cash flows from investing activities**

	2019 £	2018 £
Dividends, interest and rents from investments	4,859	362
Purchase of tangible fixed assets	(1,290,060)	(1,510,918)
Capital grants from DfE Group	788,170	759,363
Capital funding received from sponsors and others	60,000	-
Cash transferred on conversion to an academy trust	-	245,531
<b>Net cash used in investing activities</b>	<b>(437,031)</b>	<b>(505,662)</b>

**21. Analysis of cash and cash equivalents**

	2019 £	2018 £
Cash in hand	788,735	1,200,405
<b>Total cash and cash equivalents</b>	<b>788,735</b>	<b>1,200,405</b>



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**22. Capital commitments**

	2019 £	2018 £
<b>Contracted for but not provided in these financial statements</b>		
Acquisition of tangible fixed assets	<u>461,409</u>	<u>-</u>

**23. Pension commitments**

The Multi-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 West Midlands Pension Fund. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

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

**Teachers' Pension Scheme**

**Introduction**

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

**The Teachers' Pension Budgeting and Valuation Account**

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

**23. Pension commitments (continued)**

**Valuation of the Teachers' Pension Scheme**

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

**Scheme changes**

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

The employer's pension costs paid to TPS in the year amounted to £355,000 (2018 - £314,000).

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £540,000 (2018 - £387,000), of which employer's contributions totalled £453,000 (2018 - £319,000) and employees' contributions totalled £ 87,000 (2018 - £68,000). The agreed contribution rates for future years are 17.7% - 20.3% for employers and 5.5% - 12.5% 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.

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23. Pension commitments (continued)

Principal actuarial assumptions

	2019 %	2018 %
Rate of increase in salaries	3.70	3.80
Rate of increase for pensions in payment/inflation	2.20	2.30
Discount rate for scheme liabilities	1.90	2.67

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

	2019 Years	2018 Years
<i>Retiring today</i>		
Males	20.9	21.9
Females	23.2	24.4
<i>Retiring in 20 years</i>		
Males	22.6	24.1
Females	25.1	26.7

Sensitivity analysis

	2019 £000	2018 £000
Discount rate +0.1%	(191)	(146)
Discount rate -0.1%	197	150
Mortality assumption - 1 year increase	249	173
Mortality assumption - 1 year decrease	(240)	(167)
CPI rate +0.1%	168	127
CPI rate -0.1%	(162)	(122)

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23. Pension commitments (continued)

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

	At 31 August 2019 £	At 31 August 2018 £
Equities	958,000	639,000
Gilts	144,000	73,000
Other bonds	64,000	38,000
Property	127,000	81,000
Cash and other liquid assets	64,000	38,000
Other	240,000	142,000
<b>Total market value of assets</b>	<b>1,597,000</b>	<b>1,011,000</b>

The actual return on scheme assets was £81,000 (2018 - £9,000).

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

	2019 £	2018 £
Current service cost	(517,000)	(447,000)
Past service cost	(101,000)	-
Interest income	34,000	21,000
Interest cost	(143,000)	(106,000)
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>(727,000)</b>	<b>(532,000)</b>

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

	2019 £	2018 £
<b>At 1 September</b>	<b>5,323,000</b>	<b>3,285,000</b>
Conversion of academy trusts	-	1,967,000
Current service cost	517,000	447,000
Interest cost	143,000	106,000
Employee contributions	87,000	68,000
Actuarial losses/(gains)	793,000	(459,000)
Benefits paid	(35,000)	(91,000)
Past service costs	101,000	-
<b>At 31 August</b>	<b>6,929,000</b>	<b>5,323,000</b>

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**23. Pension commitments (continued)**

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

	2019 £	2018 £
<b>At 1 September</b>	<b>1,011,000</b>	706,000
Interest income	34,000	21,000
Actuarial gains/(losses)	47,000	(12,000)
Employer contributions	453,000	319,000
Employee contributions	87,000	68,000
Benefits paid	(35,000)	(91,000)
<b>At 31 August</b>	<b>1,597,000</b>	1,011,000

**24. Operating lease commitments**

At 31 August 2019 the Multi-Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	13,597	17,746
Later than 1 year and not later than 5 years	13,807	30,381
	<b>27,404</b>	48,127

**25. 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.

**26. Related party transactions**

No related party transactions took place in the period of account other than certain trustees' remuneration and expenses already disclosed in note 11.