

Registered number: 09341839

SHINE Academies

Trustees' Report and Financial Statements

For the Year Ended 31 August 2023



SHINE Academies
(A Company Limited by Guarantee)

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SHINE Academies
(A Company Limited by Guarantee)

Reference and Administrative Details

Members	C Coultham G Hawkins C Nightingale E Richards R Young
Trustees	G Draycott, Chief Executive Officer and Accounting Officer (appointed 1 September 2022) G Gentle, Chair C Nightingale, Vice Chair J Jackson R Lafford K Marshall S White (appointed 21 October 2022) A Wilkinson S Yardley-Patel
Company registered number	09341839
Company name	SHINE Academies
Principal and registered office	Collingwood Road Bushbury Wolverhampton West Midlands WV10 8DS
Company secretary	L Small (appointed 1 September 2022, resigned 31 August 2023) K Khandeparker (appointed 1 September 2023)
Senior management team	Gemma Draycott, Chief Executive Officer from 1 September 2022 Katy Morgan, Chief Financial Officer from 1 September 2022 Marie Price, Director of Primary Education from 1 September 2022 Liza Small, Director of Operations from 1 September 2022 Suki Baran, Director of Family Services from 1 September 2022 Katy Khandeparker, Governance and Compliance Specialist (Appointed 17 April 2023) Natalie Boys, Headteacher (Northwood Park Primary School) Lisa Rogers, Headteacher (Villiers Primary School) Nicola Bayliss, Headteacher (Busill Jones Primary School) (Appointed 17 April 2023)
Independent auditors	Dains Audit Limited 15 Colmore Row Birmingham B3 2BH

SHINE Academies
(A Company Limited by Guarantee)

Trustees' Report
For the Year Ended 31 August 2023

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2022 to 31 August 2023. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

SHINE Academies (the "Trust") comprises of four primary schools across two Local Authorities. The total number of pupils on roll at Trust schools is 1,878 with many year groups over subscribed. Lodge Farm Primary School, Villiers Primary Schools and Busill Jones Primary School, all offer nursery provision, with Lodge Farm offering a 2-year-old setting. All schools offer wraparound care facilities and a wide range of free extra curricular after school activities.

Structure, governance and management

a. Constitution

The Multi Academy Trust ("MAT") 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. The company is known as SHINE Academies.

The constituent schools are:

Northwood Primary School (Wolverhampton)
Lodge Farm Primary School (Walsall)
Villiers Primary School (Wolverhampton)
Busill Jones Primary School (Walsall)

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.

Structure, governance and management (continued)

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.

Each school has a Local Governing Body, consisting of Staff, Parents and Co-opted Governors. 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, and work to target individuals with the skills required. Regular CPD and skills updates are available for all Trustees and Local Board Governors, funded by the Trust.

Members may appoint up to 9 Trustees by ordinary resolution.

d. Policies adopted for the induction and training of Trustees

The Trust employs a Governance and Compliance Specialist who acts as the Governance Professional to Members, the Trust Board and all Local Governing Boards. All Trustees and Governors receive details of the training available. New Trustees and Governors are invited to visit the schools and meet with any link staff relevant to their role on the Board. All Trustees and Governors have access to National College training packages and those provided by the National Governance Association and the Confederation of Schools Trusts.

Trustees are appointed by the Members and vacancies are filled following a skills audit to ensure a diverse range of expertise. All new Trustees meet with the CEO and Chair before appointment to understand the Trust context and their responsibilities as a Trustee.

Structure, governance and management (continued)

e. Organisational structure

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 Board has remained stable during 2022-23 with no resignations and one new Trustee appointed in October 2022, further consolidating the existing diverse range of skills and experience across the Board.

Trustees met as a collective four times during the year. The Finance and General Purpose, Audit and Risk, Performance and Standards and Pay Committees met at various intervals throughout the year and all constituents are Trustees with the Executive Central Team in attendance as required.

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

The Chief Executive Officer is responsible for the day to day operations of the Trust and is supported by the Executive Team and each school's Headteacher.

Each of the Schools' Local Governing Boards meet termly, monitoring the performance of that individual school. All Schools previously had a separate curriculum committee to focus on the performance and standards of that school and ensuring that the needs of the curriculum are bespoke. Following the NGA External Review of Governance in March 2023, the constitution of the Local Governing Boards has been amended to ensure separation of duties between layers of governance, The structure of the Local Governing Boards has also been updated to streamline reporting across all layers of governance. Local Governing Boards no longer delegate to a curriculum committee, but now have a clear focus on four key areas – safeguarding, SEND, standards and stakeholders. Link Governors are appointed as per statutory requirements and also to focus on key priority areas for each school.

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 Trustees are involved in the recruitment process for all Executive Leadership positions and the central team staffing structure and school staffing structures are reviewed periodically. A Pay Committee, made up of three independent Trustees, reviews pay for all staff on an annual basis.

SHINE Academies continues to adopt STPCD and NJC pay conditions.

An independent review of Executive Pay will be completed in 2023/24.

Structure, governance and management (continued)

g. Engagement with employees (including disabled persons)

In 2021 the MAT engaged with Unions for both teaching and nonteaching staff to form a Joint Consultative and Negotiation Committee (JCNC) and this work has continued in 2023-2024. The purpose of this exercise is to provide the MAT with robust, purposeful and bespoke employee policies. The committee meets 6 times per year to consult on a range of staff policies.

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

The Multi Academy Trust has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy
- Volunteers' policy
- Health & safety policy
- Personal Relationships Policy

In accordance with the Multi Academy Trust's equal opportunities policy, the Multi Academy Trust has long established fair employment practices in the recruitment, selection, retention and training of disabled staff. The Recruitment and Selection Policy was rewritten in 2023.

Equity, Diversity and Inclusion is a high priority for the MAT.

h. Engagement with suppliers, customers and others in a business relationship with the Multi Academy Trust

Relationships with stakeholders is extremely important to SHINE Academies. Our vision is for all stakeholders to feel welcome and part of our journey.

Regular feedback is sought from all stakeholders, including staff and parents/carers. We welcome all feedback and it is valuable in shaping the strategic direction of the MAT.

With the focus being on MAT growth, engagement with suppliers is an increased focus in terms of achieving value for money and economies of scale across the MAT.

Ordering is completed locally with monthly BACS payments. Suppliers interact directly with each school where queries arise to foster good working relationships and effective resolution.

The number of sales customers is limited to student placements or some school-to-school support outside the MAT. Any payment issues are controlled and monitored centrally.

Other transactions include the collection of income for school meals, trips, residential visits and extended school provisions. Many of the transactions are handled via the MAT's cashless payment software. Where cash payments are received for charitable donations or nonuniform days, they are handled locally at each school by office staff.

i. 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.

The MAT vision and values is being reviewed in 2023–2024 with full consultation with stakeholders.

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 Trust 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)'.

Achievements and performance

a. 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.

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. Villiers was regraded as Good in July 2022.

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.

Busill Jones Primary School joined the Trust in December 2019. It is anticipated that significant improvement will be demonstrated during its first Ofsted inspection.

In 2023-2024, it is anticipated that the SHINE family will increase to five schools following an Academy Order for a Shropshire school. This will be the third local authority that we work in.

SHINE Academies is responsible for the education of over 1,850 pupils in the West Midlands and is in a good position to expand. All four schools are performing well and on an upwards trajectory in terms of outcomes.

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 minutes 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

The Trust continues to strengthen its offer to all pupils, with our belief in Equity forming our evolving direction. Curriculum design and delivery continue to be developed to meet the ever-changing needs of our pupils and their communities; ensuring that pupils are both challenged and supported effectively.

Achievements and performance (continued)

a. Key performance indicators (continued)

Although there have been a number of significant changes in the leadership of some of our schools this year, succession planning, and targeted recruitment has meant that schools have remained stable and able to continue their school improvement journey.

The development of strong leaders from within the Trust continues to be an area of focus, with plans to significantly develop this moving forward.

As a trust we have extremely high expectations of all stakeholders and do not accept any ceilings for pupils or staff members. Personal development has been a focus in all schools, and we have worked tirelessly to provide opportunities, experiences and skills that enrich pupil & staff growth. This focus was recognised by Ofsted in July 2023 during Northwood Park's inspection in which they were recognised as Outstanding for Personal Development.

Safeguarding in all schools remains robust. The Family Support Teams continue to evolve and offer support to pupils and families whilst working closely with external services. We have supported in the training of student social workers in each school.

We have continued to increase staff who have been recognised externally including having LA end of KS1, KS2 & EYFS moderators and Science & English SLEs.

		Trust Average	National Averages 2023
KS2 Expected	Reading	69%	73%
	Writing	71%	71%
	Maths	70%	73%
	GPS	70%	72%
	Combined	47%	59%
KS2 Exceeding	Reading	18%	
	Writing	12%	
	Maths	22%	
	GPS	26%	
	Combined	5%	8%

Achievements and performance (continued)

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.

c. Promoting the success of the company

Under section 172(1)(a) to (f) of the Companies Act 2006, directors of a company must act in a way he considers, in good faith, most likely to promote the success of the company (i.e. to achieve its educational purpose), and in doing so must have regard to:

- The likely consequences of any decision in the long term;
- The interests of the company's employees;
- The need to foster business relationships with suppliers, customers and others
- The impact of the company's operations on the community and the environment;
- The desirability of the company maintaining a reputation for high standards of business conduct; and
- The need to act fairly.

In order to carry out their obligations, Trustees are provided with appropriate data, documents and verbal reports which can then be challenged and scrutinised. In addition to Trustees, each school has a Local Governing Body, and governors have link responsibilities to ensure specific aspects are scrutinised more closely, such as Safeguarding, SEND, and core curriculum. The systems in place allow Trustees to ensure that the MAT achieves its educational purpose.

Trustees use the Nolan Principles to ensure they act fairly and with consideration to the public role that they hold. All Trustees have high standards and high aspirations for the communities they serve.

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 2023 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 Trust's accounting policies.

During the year ended 31 August 2023, total expenditure (before depreciation and movements on the pension reserve) of £10,586,619 (2022 - £9,635,359) was covered by recurrent revenue grant funding from the DfE, together with other incoming revenue resources of £11,480,732 (2022 - £10,700,054). The excess of income over expenditure before depreciation, transfers and pension reserve movements for the year was £894,113 (2022 - £1,064,695). £916,796 (2022 - £1,106,840) was then transferred from revenue to capital in respect of capital works completed in the year.

At 31 August 2023, the net book value of fixed assets was £16,438,178 (2022 - £16,369,262) and movements in tangible fixed assets are shown in note 14 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 26 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, Headteachers, senior leaders, budgets holders and other staff, as well as delegated authority for spending.

b. Principal risks and uncertainties

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

- Receiving inadequate KS2 data, impacting on standards and reputation.
- Low birth rates, impacting the number on roll in Reception and KS1.
- Insufficient funding from Government, impacting staff, resources and maintenance.
- Focus on increasing complexity of safeguarding and health and safety risks inhibiting ability to divert resource to estates management and maintenance/repairs.

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.

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Trustees' Report (continued)
For the Year Ended 31 August 2023

Streamlined energy and carbon reporting

The Multi Academy Trust's greenhouse gas emissions and energy consumption are as follows:

	2023	2022
Energy consumption used to calculate emissions (kWh)	329,000	348,304
Energy consumption breakdown (kWh):		
Gas	238,159	262,749
Electricity	90,841	85,555
Scope 1 emissions (in tonnes of CO2 equivalent):		
Gas consumption	238.16	262.75
Total scope 1	238.16	262.75
Scope 2 emissions (in tonnes of CO2 equivalent):		
Purchased electricity	90.84	85.56
Total gross emissions (in tonnes of CO2 equivalent):	329.00	348.31
Intensity ratio:		
Tonnes of CO2 equivalent per pupil	0.19	0.19

The Multi Academy Trust has followed and used the following quantification and reporting methodologies:

- the 2019 HM Government Environmental Reporting Guidelines;
- the GHG Reporting Protocol - Corporate Standard; and
- the 2023 UK Government's Conversion Factors for Company Reporting.

The chosen intensity ratio is total gross emissions in tonnes of CO2 equivalent per pupil, the recommended ratio for the sector.

Plans for future periods

SHINE Academies recognises the need to grow and does so at a sensible pace. The MAT has been recognised for transforming failing schools and having significant capacity for school improvement, family support, safeguarding and business functions. The MAT is in a good position for growth but most importantly, has ambitions to support a strong school to school system, whether formally or informally. SHINE Academies' stakeholders continue to recognise the importance of individuality and context within the school system.

Headteachers have full accountability for their schools, following amendments to the scheme of delegation, but with the full support of experienced and qualified specialists from the MAT central team.

SHINE Academies continues to prioritise high quality and accredited professional development for staff at all levels. It is the ambition of the MAT to equip the educators and school leaders of the future, and has responsibility for training the next generation of leaders and 'training people so they can leave, but treating people so they don't want to'. The quality of education continues to improve each academic year and the MAT's legacy should continue to be the ambitious and aspirational opportunities our stakeholders receive. Staff retention remains high.

The MAT has a detailed Trust Development Plan which is 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 Board meetings.

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.

Auditors

In 2021–2022, SHINE Academies undertook a tendering exercise in order to appoint auditors following Dains LLP's original appointment in 2015. Five companies tendered and following a comprehensive benchmarking and evaluation exercise, Dains LLP were reappointed for a 3-year contract, with a possible 2-year extension.

The designated Trustees will propose a motion reappointing Dains Audit Limited at a meeting of the Trustees.

The Trustees' Report was approved by order of the Board of Trustees, as the company directors, on 11 December 2023 and signed on its behalf by:



G Gentle
Chair of Trustees

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Governance Statement

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.

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

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 4 times during the year with the Audit and Risk, Finance and General Purposes and Performance and Standards Committees meeting a total of 10 times throughout the year. Appropriate financial oversight is maintained through these meetings and the meetings of the sub committees, as detailed below.

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

Trustee	Meetings attended	Out of a possible
G Draycott (appointed 1 September 2022)	4	4
G Gentle, Chair (reappointed as Chair 19 September 2023)	4	4
J Jackson	4	4
R Lafford	4	4
K Marshall	4	4
C Nightingale (reappointed as Vice Chair 19 September 2023)	4	4
S White (appointed 21 October 2022)	3	3
A Wilkinson	4	4
S Yardley-Patel	3	4

The Finance and General Purposes, Audit and Risk and Performance and Standards Committees comprise exclusively of Trustees.

Conflicts of interests are disclosed by Trustees immediately in the event of a change, and annually as a minimum, There is an agenda item to capture conflicts at the start of each meeting, and this is recorded in the minutes.

An external review of governance was commissioned in 2022–2023. Governance was rated as effective, with recommendations being addressed over the course of the 2023-2024 academic year.

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Governance Statement (continued)

Governance (continued)

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
G Draycott	4	4
J Jackson	4	4
K Marshall, Chair (reappointed as Chair 19 September 2023)	4	4
R Lafford	3	4

The Audit and Risk Committee is also a sub-committee of the main Board of Trustees. 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
G Gentle	3	3
A Wilkinson, Chair	3	3
S Yardley-Patel	2	3

Governance Statement (continued)

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, school meals, breakfast club and music exams, all schools use ParentPay, ensuring that the schools are cashless and processes are robust.
- Refurbishment work has been undertaken in all schools and an independent party managed the entire tendering and project management process to ensure value for money was achieved.
- In terms of estates management, where health and safety risks are identified these are duly addressed. As an example, during this year a risk was identified which necessitated some tree removal works at Busill Jones Primary School. The situation was risk assessed and quotes sourced and approved by the Finance and General Purposes Committee to carry out remedial works, as per the Trust's Financial Procedures.
- SHINE Academies has robust financial procedures in place and staff are fully trained and competent in the processes, which are duplicated in all 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 Trust's website.
- The Trust has internal controls in place to ensure strict financial procedures are followed. A programme of internal scrutiny work is completed. 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 good.
- The Trust purchases a commercial insurance package to ensure it has adequate cover to manage risks. A Trust Risk Register is regularly reviewed and updated.
- 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 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

Governance Statement (continued)

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 2022 to 31 August 2023 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
- identification and management of risks

The Board of Trustees has decided to buy-in an internal audit service from School Business Services, Elite Safety in Education, Anchored Schools, English Hubs, B11 and Services 4 Schools.

The reviewers' role includes giving advice on financial and other 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;

- Safeguarding
- Health and Safety
- Payroll
- Cyber security
- ICT Procurement
- Phonics
- School Improvement

Following each internal audit, the reviewer 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 Board of Trustees' financial responsibilities.

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

Governance Statement (continued)

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:

- discharge of the Board of Trustees' financial decisions to help the committee consider actions and assess year on year progress;
- the work of the external auditors;
- the work of the internal auditor;
- 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 11 December 2023 and signed on their behalf by:



G Gentle
Chair of Trustees



G Draycott
Accounting Officer

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Statement on Regularity, Propriety and Compliance

As accounting officer of SHINE Academies, I have considered my responsibility to notify the Multi Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement between the 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 Academy Trust Handbook 2022, including responsibilities for estates safety and management.

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 Academy Trust Handbook 2022.

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 Draycott
Accounting Officer
Date: 11 December 2023

SHINE Academies
(A Company Limited by Guarantee)

Statement of Trustees' responsibilities
For the Year Ended 31 August 2023

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- 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 11 December 2023 and signed on its behalf by:



G Gentle
Chair of Trustees

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

Opinion

We have audited the financial statements of SHINE Academies (the 'Multi Academy Trust') for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Multi Academy Trust's affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

Basis for opinion

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

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

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

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

SHINE Academies
(A Company Limited by Guarantee)

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

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has 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.

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.

Responsibilities of trustees

As explained more fully in the Statement of trustees' responsibilities, 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.

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the Academy sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the financial reporting legislation, Companies Act 2006, taxation legislation, anti-bribery, employment, and environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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

Auditors' responsibilities for the audit of the financial statements (continued)

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the charitable 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 FCA FCCA (Senior statutory auditor)

for and on behalf of
Dains Audit Limited

Statutory Auditor
Chartered Accountants

Birmingham

11 December 2023

SHINE Academies
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 31 October 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, 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 2022 to 31 August 2023 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 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 Academy Trust Handbook, extant from 1 September 2022, 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 2022 to 2023. 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 2022 to 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the 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)

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 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Dains Audit Limited

Statutory Auditor
Chartered Accountants

Date: 11 December 2023

SHINE Academies
(A Company Limited by Guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the Year Ended 31 August 2023

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:						
Donations and capital grants	3	58,633	-	204,974	263,607	107,502
Other trading activities		65,711	-	-	65,711	49,185
Investments	6	280	-	-	280	326
Charitable activities:						
Multi Academy Trust educational operations		95,829	11,260,279	-	11,356,108	10,578,617
Total income		220,453	11,260,279	204,974	11,685,706	10,735,630
Expenditure on:						
Raising funds		4,734	-	-	4,734	593
Charitable activities		179,555	10,585,330	955,401	11,720,286	11,375,883
Total expenditure		184,289	10,585,330	955,401	11,725,020	11,376,476
Net income/ (expenditure)		36,164	674,949	(750,427)	(39,314)	(640,846)
Transfers between funds	18	(220,917)	(695,879)	916,796	-	-
Net movement in funds before other recognised gains		(184,753)	(20,930)	166,369	(39,314)	(640,846)
Other recognised gains:						
Actuarial gains on defined benefit pension schemes	26	-	2,632,000	-	2,632,000	7,118,000
Net movement in funds		(184,753)	2,611,070	166,369	2,592,686	6,477,154
Reconciliation of funds:						
Total funds brought forward		614,637	(2,360,851)	16,228,462	14,482,248	8,005,094
Net movement in funds		(184,753)	2,611,070	166,369	2,592,686	6,477,154
Total funds carried forward		429,884	250,219	16,394,831	17,074,934	14,482,248

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

The notes on pages 30 to 59 form part of these financial statements.

SHINE Academies
(A Company Limited by Guarantee)
Registered number: 09341839

Balance Sheet
As at 31 August 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	14	16,438,178	16,369,262
		<u>16,438,178</u>	<u>16,369,262</u>
Current assets			
Debtors	15	907,528	730,253
Cash at bank and in hand		2,378,120	2,856,529
		<u>3,285,648</u>	<u>3,586,782</u>
Creditors: amounts falling due within one year	16	(1,118,722)	(1,448,589)
Net current assets		<u>2,166,926</u>	<u>2,138,193</u>
Total assets less current liabilities		<u>18,605,104</u>	<u>18,507,455</u>
Creditors: amounts falling due after more than one year	17	(45,170)	(91,207)
Net assets excluding pension liability		<u>18,559,934</u>	<u>18,416,248</u>
Defined benefit pension scheme liability	26	(1,485,000)	(3,934,000)
Total net assets		<u><u>17,074,934</u></u>	<u><u>14,482,248</u></u>
Funds of the Multi Academy Trust			
Restricted funds:			
Fixed asset funds	18	16,394,831	16,228,462
Restricted income funds	18	1,735,219	1,573,149
		<u>18,130,050</u>	<u>17,801,611</u>
Restricted funds excluding pension asset	18	18,130,050	17,801,611
Pension reserve	18	(1,485,000)	(3,934,000)
		<u>16,645,050</u>	<u>13,867,611</u>
Total restricted funds	18	<u>16,645,050</u>	<u>13,867,611</u>
Unrestricted income funds	18	<u>429,884</u>	<u>614,637</u>
Total funds		<u><u>17,074,934</u></u>	<u><u>14,482,248</u></u>

SHINE Academies
(A Company Limited by Guarantee)
Registered number: 09341839

Balance Sheet (continued)
As at 31 August 2023

The financial statements on pages 26 to 59 were approved by the Trustees, and authorised for issue on 11 December 2023 and are signed on their behalf, by:



G Gentle
Chair of Trustees

The notes on pages 30 to 59 form part of these financial statements.

SHINE Academies
(A Company Limited by Guarantee)

Statement of Cash Flows
For the Year Ended 31 August 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash provided by operating activities	20	388,467	1,396,253
Cash flows used in investing activities	22	(819,063)	(1,457,059)
Cash flows (used in)/from financing activities	21	(47,813)	82,931
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		(478,409)	22,125
Cash and cash equivalents at the beginning of the year		2,856,529	2,834,404
Cash and cash equivalents at the end of the year	23, 24	2,378,120	2,856,529
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 30 to 59 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 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the 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.

1.3 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.

1. Accounting policies (continued)

1.4 Expenditure

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

- **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.

1.5 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 Taxation

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

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

1. Accounting policies (continued)

1.7 Tangible fixed assets

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

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

Depreciation is provided on all tangible fixed assets other than freehold land 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 basis:

Long-term leasehold buildings	-	2% straight line
Long-term leasehold land	-	31% 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 freehold or leasehold land and buildings.

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

1.8 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.

1.9 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.

1.10 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. Accounting policies (continued)

1.11 Provisions

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

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

1.12 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 15. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.13 Operating leases

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

1. Accounting policies (continued)

1.14 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.

1.15 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.

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2023. 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.

3. Income from donations and capital grants

	Unrestricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Educational visits	47,474	-	47,474	48,048
Donations	11,159	-	11,159	23,878
Capital Grants	-	204,974	204,974	35,576
	<u>58,633</u>	<u>204,974</u>	<u>263,607</u>	<u>107,502</u>
Total 2022	<u>71,926</u>	<u>35,576</u>	<u>107,502</u>	

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4. Funding for the Multi Academy Trust's charitable activities

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Educational Operations				
DfE/ESFA grants				
General Annual Grant (GAG)	-	8,544,993	8,544,993	8,142,178
Other DfE/ESFA grants				
Teachers Pay and Pension Grants	-	12,592	12,592	21,273
Pupil Premium	-	1,060,562	1,060,562	961,121
Universal Infant Free School Meals Grant	-	195,095	195,095	164,619
PE and Sports grant	-	79,770	79,770	79,740
Rates relief	-	13,530	13,530	23,193
National tutoring grant	-	29,322	29,322	87,863
	-	9,935,864	9,935,864	9,479,987
Other Government grants				
Special needs income	-	344,148	344,148	258,484
Early Years funding	-	339,969	339,969	372,563
Other Local Authority grants	-	39,194	39,194	10,931
Other funding	-	159,240	159,240	19,503
Supplementary grant	-	249,906	249,906	104,128
	-	1,132,457	1,132,457	765,609
COVID-19 additional funding (DfE/ESFA)				
Catch-up Premium	-	106,394	106,394	102,805
	-	106,394	106,394	102,805
Other funding				
Catering income	873	70,169	71,042	61,176
Insurance claims	-	15,395	15,395	82,691
Nursery income	4,575	-	4,575	8,370
Other income including extended school activities	90,381	-	90,381	77,979
	95,829	85,564	181,393	230,216
	95,829	11,260,279	11,356,108	10,578,617
Total 2022	88,336	10,490,281	10,578,617	

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5. Income from other trading activities

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Lettings income	3,178	3,178	2,733
General sales income	48,556	48,556	40,319
Fundraising activities	12,697	12,697	4,728
Music income	1,280	1,280	1,405
	<u>65,711</u>	<u>65,711</u>	<u>49,185</u>
Total 2022	<u>49,185</u>	<u>49,185</u>	

6. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Bank interest received	280	280	326
	<u>326</u>	<u>326</u>	
Total 2022	<u>326</u>	<u>326</u>	

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7. Expenditure

	Staff Costs 2023 £	Premises 2023 £	Other 2023 £	Total 2023 £	Total 2022 £
Expenditure on raising funds:					
Direct costs	-	-	4,734	4,734	593
Multi Academy Trust's Educational Operations:					
Direct costs	6,824,268	875,449	849,840	8,549,557	8,523,333
Support costs	1,718,081	392,566	1,060,082	3,170,729	2,852,550
	<u>8,542,349</u>	<u>1,268,015</u>	<u>1,914,656</u>	<u>11,725,020</u>	<u>11,376,476</u>
Total 2022	<u><u>8,614,323</u></u>	<u><u>1,083,670</u></u>	<u><u>1,678,483</u></u>	<u><u>11,376,476</u></u>	

8. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £	Total funds 2022 £
Educational Operations	<u>8,549,557</u>	<u>3,170,729</u>	<u>11,720,286</u>	<u>11,375,883</u>
Total 2022	<u><u>8,523,333</u></u>	<u><u>2,852,550</u></u>	<u><u>11,375,883</u></u>	

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8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Educational Operations 2023 £	Total funds 2023 £	Total funds 2022 £
LGPS finance costs	167,000	167,000	177,000
Staff costs	6,824,268	6,824,268	7,009,781
Depreciation	955,401	955,401	817,117
Educational suppliers	221,876	221,876	234,151
Staff development and other staff costs	48,459	48,459	32,647
Technology costs	55,228	55,228	38,130
Educational consultancy	86,989	86,989	44,121
School trip costs	70,213	70,213	53,497
Insurance	94,636	94,636	89,060
Recruitment and other staff expenses	9,388	9,388	14,410
Apprenticeship Levy expenditure	16,099	16,099	13,419
	<u>8,549,557</u>	<u>8,549,557</u>	<u>8,523,333</u>
Total 2022	<u><u>8,523,333</u></u>	<u><u>8,523,333</u></u>	

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8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational Operations 2023 £	Total funds 2023 £	Total funds 2022 £
Staff costs	1,718,081	1,718,081	1,604,542
Catering	495,983	495,983	421,076
Technology costs	97,529	97,529	102,475
Professional and consultancy services	173,092	173,092	49,279
Postage, stationery, telephone and other costs	130,404	130,404	111,169
Maintenance of premises and special facilities	36,763	36,763	70,184
Cleaning and caretaking	19,980	19,980	21,221
Operating lease rentals	5,170	5,170	5,836
Rates	21,727	21,727	20,732
Security	14,593	14,593	11,374
Energy	177,032	177,032	133,762
Legal and professional	71,592	71,592	155,650
Transport	33,224	33,224	33,023
Other premises costs	122,471	122,471	84,486
Governance costs	53,088	53,088	27,741
	<u>3,170,729</u>	<u>3,170,729</u>	<u>2,852,550</u>
Total 2022	<u>2,852,550</u>	<u>2,852,550</u>	

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2023 £	2022 £
Depreciation of tangible fixed assets	955,401	817,117
Fees paid to auditors for:		
- audit	15,750	14,375
- other services	8,098	2,475
	<u>979,249</u>	<u>834,067</u>

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10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2023	2022
	£	£
Wages and salaries	6,202,979	5,722,012
Social security costs	581,182	532,851
Pension costs	1,526,687	2,159,687
	8,310,848	8,414,550
Agency staff costs	231,501	199,773
	8,542,349	8,614,323

b. Staff numbers

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

	2023	2022
	No.	No.
Teachers	76	78
Administration and support	175	163
Management	18	18
	269	259

10. Staff (continued)

c. Higher paid staff

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

	2023	2022
	No.	No.
In the band £60,001 - £70,000	3	2
In the band £70,001 - £80,000	3	2
In the band £80,001 - £90,000	1	1
In the band £90,001 - £100,000	1	1
In the band £110,001 - £120,000	1	-
In the band £120,001 - £130,000	-	1
	<u> </u>	<u> </u>

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 key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by eleven (2022 - seven) key management personnel for their services to the Multi Academy Trust was £889,878 (2022 - £795,930).

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11. Central services

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

- Financial services (including HR and payroll)
- Risk management and compliance
- School improvement
- Governance
- Central GDPR
- Family liaison services
- Data management

The Multi Academy Trust charges for these services on the following basis:

The trust charges for these services on a flat percentage of income. The current rate is 6%.

The actual amounts charged during the year were as follows:

	2023	2022
	£	£
Northwood Park Primary School	162,590	160,007
Lodge Farm Primary School	96,694	89,016
Villiers Primary School	169,660	155,362
Busill Jones Primary School	83,755	84,146
Total	512,699	488,531

12. Trustees' remuneration and expenses

One or more Trustees have been paid remuneration or have 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:

		2023	2022
		£000	£000
G Draycott (appointed 1 September 2022)	Remuneration	115 - 120	
	Pension contributions paid	25 - 30	
G Morris (resigned 31 August 2023)	Remuneration		125 - 130
	Pension contributions paid		30 - 35

During the year ended 31 August 2023, expenses totalling £270 were reimbursed or paid directly to 1 Trustee (2022 - £Nil).

13. 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 2023 was included in the total insurance cost of £39,084 (2022 - £38,745).

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Notes to the Financial Statements
For the Year Ended 31 August 2023

14. Tangible fixed assets

	Long-term leasehold property £	Leasehold improvements £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2022	11,742,967	6,501,772	341,796	432,183	19,018,718
Additions	-	813,780	98,143	112,394	1,024,317
At 31 August 2023	<u>11,742,967</u>	<u>7,315,552</u>	<u>439,939</u>	<u>544,577</u>	<u>20,043,035</u>
Depreciation					
At 1 September 2022	872,683	1,253,575	230,330	292,868	2,649,456
Charge for the year	162,579	673,786	47,498	71,538	955,401
At 31 August 2023	<u>1,035,262</u>	<u>1,927,361</u>	<u>277,828</u>	<u>364,406</u>	<u>3,604,857</u>
Net book value					
At 31 August 2023	<u>10,707,705</u>	<u>5,388,191</u>	<u>162,111</u>	<u>180,171</u>	<u>16,438,178</u>
At 31 August 2022	<u>10,870,284</u>	<u>5,248,197</u>	<u>111,466</u>	<u>139,315</u>	<u>16,369,262</u>

15. Debtors

	2023 £	2022 £
Due within one year		
Trade debtors	2,022	-
Prepayments and accrued income	496,314	576,133
VAT recoverable	409,192	154,120
	<u>907,528</u>	<u>730,253</u>

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16. Creditors: Amounts falling due within one year

	2023	2022
	£	£
Other loans	47,813	49,589
Trade creditors	226,874	377,324
Other creditors	1,682	419
Accruals and deferred income	842,353	1,021,257
	<u>1,118,722</u>	<u>1,448,589</u>
	<u>2023</u>	<u>2022</u>
	<u>£</u>	<u>£</u>
Deferred income at 1 September 2022	135,818	170,314
Resources deferred during the year	283,712	135,818
Amounts released from previous periods	(135,818)	(170,314)
Deferred income at 31 August 2023	<u>283,712</u>	<u>135,818</u>

At the balance sheet date the Multi-Academy Trust was holding Universal Infant Free School Meals funding, unspent national tutoring grant and core grant funding, and pupil dinner monies and school trip monies received in advance for Autumn 2023.

Other loans are detailed in note 17.

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

	2023	2022
	£	£
Other loans	45,170	91,207

Included within the above are amounts falling due as follows:

	2023	2022
	£	£
Between one and two years		
Other loans	8,601	49,589
Between two and five years		
Other loans	25,803	31,132
Over five years		
Other loans	10,766	10,486

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

	2023	2022
	£	£
Payable or repayable by instalments	10,766	10,486
	10,766	10,486

Other loans is made up of three interest free Salix loans from the ESFA repayable in annual instalments of £5,756 up to 2030, £1,303 up to 2028 and £1,542 up to 2030, and two CIF loans from the ESFA repayable in annual instalments of £19,279 up to 2024 and £19,933 up to 2024, on which interest is charged at 1.98% per annum.

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Notes to the Financial Statements
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18. Statement of funds

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Unrestricted funds						
Designated funds						
Large Trust building projects	433,401	-	-	(143,670)	-	289,731
General funds						
General Funds	181,236	220,453	(184,289)	(77,247)	-	140,153
Total Unrestricted funds	614,637	220,453	(184,289)	(220,917)	-	429,884
Restricted general funds						
General Annual Grant (GAG)	1,573,149	8,544,993	(7,687,044)	(695,879)	-	1,735,219
Pupil Premium	-	1,060,562	(1,060,562)	-	-	-
PE and Sports grants	-	79,770	(79,770)	-	-	-
Teachers pay grants	-	3,291	(3,291)	-	-	-
Teachers pension grants	-	9,301	(9,301)	-	-	-
Universal infant free school meals	-	195,095	(195,095)	-	-	-
COVID-19 catch up premium	-	106,394	(106,394)	-	-	-
National tutoring grant	-	29,322	(29,322)	-	-	-
Other DfE/ESFA grants	-	422,676	(422,676)	-	-	-
SEN funding	-	344,148	(344,148)	-	-	-
Early years funding	-	339,969	(339,969)	-	-	-
Other government grants	-	39,194	(39,194)	-	-	-
Other funding	-	85,564	(85,564)	-	-	-
Pension reserve	(3,934,000)	-	(183,000)	-	2,632,000	(1,485,000)
	(2,360,851)	11,260,279	(10,585,330)	(695,879)	2,632,000	250,219

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18. Statement of funds (continued)

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Restricted fixed asset funds						
Capital surplus transferred on conversion	62,997	-	-	-	-	62,997
Assets transferred on conversion	10,430,809	-	(157,441)	-	-	10,273,368
DfE / ESFA capital grants	1,717,385	204,974	(364,496)	-	-	1,557,863
Assets purchased from GAG/unrestric ted income	3,938,378	-	(429,103)	916,796	-	4,426,071
Other capital income	78,893	-	(4,361)	-	-	74,532
	<u>16,228,462</u>	<u>204,974</u>	<u>(955,401)</u>	<u>916,796</u>	<u>-</u>	<u>16,394,831</u>
Total Restricted funds	<u>13,867,611</u>	<u>11,465,253</u>	<u>(11,540,731)</u>	<u>220,917</u>	<u>2,632,000</u>	<u>16,645,050</u>
Total funds	<u><u>14,482,248</u></u>	<u><u>11,685,706</u></u>	<u><u>(11,725,020)</u></u>	<u><u>-</u></u>	<u><u>2,632,000</u></u>	<u><u>17,074,934</u></u>

18. 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 amounts committed for expected future Large Trust building projects.

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 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 and unrestricted funds.

The Multi Academy Trust is not subject to GAG carried forward limits.

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18. Statement of funds (continued)

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

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
Designated funds						
Large Trust building projects	-	-	-	433,401	-	433,401
General funds						
General Funds	486,695	209,773	(81,831)	(433,401)	-	181,236
Total Unrestricted funds	486,695	209,773	(81,831)	-	-	614,637
Restricted general funds						
General Annual Grant (GAG)	1,705,937	8,142,178	(7,168,126)	(1,106,840)	-	1,573,149
Pupil Premium	-	961,121	(961,121)	-	-	-
PE and Sports grants	-	79,740	(79,740)	-	-	-
Teachers pay grants	-	5,561	(5,561)	-	-	-
Teachers pension grants	-	15,712	(15,712)	-	-	-
Universal infant free school meals	-	164,619	(164,619)	-	-	-
COVID-19 catch up premium	37,299	102,805	(140,104)	-	-	-
National tutoring grant	-	87,863	(87,863)	-	-	-
Other DfE/ESFA grants	-	23,193	(23,193)	-	-	-
SEN funding	-	258,484	(258,484)	-	-	-
Early years funding	-	372,563	(372,563)	-	-	-
Other government grants	-	134,562	(134,562)	-	-	-
Other funding	-	141,880	(141,880)	-	-	-
Pension reserve	(10,128,000)	-	(924,000)	-	7,118,000	(3,934,000)
	(8,384,764)	10,490,281	(10,477,528)	(1,106,840)	7,118,000	(2,360,851)

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18. Statement of funds (continued)

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Restricted fixed asset funds						
Capital surplus transferred on conversion	62,997	-	-	-	-	62,997
Assets transferred on conversion	10,644,929	-	(214,120)	-	-	10,430,809
DfE / ESFA capital grants	2,032,771	35,576	(350,962)	-	-	1,717,385
Assets purchased from GAG/unrestric ted income	3,068,435	-	(236,897)	1,106,840	-	3,938,378
Other capital income	94,031	-	(15,138)	-	-	78,893
	<u>15,903,163</u>	<u>35,576</u>	<u>(817,117)</u>	<u>1,106,840</u>	<u>-</u>	<u>16,228,462</u>
Total Restricted funds	<u>7,518,399</u>	<u>10,525,857</u>	<u>(11,294,645)</u>	<u>-</u>	<u>7,118,000</u>	<u>13,867,611</u>
Total funds	<u><u>8,005,094</u></u>	<u><u>10,735,630</u></u>	<u><u>(11,376,476)</u></u>	<u><u>-</u></u>	<u><u>7,118,000</u></u>	<u><u>14,482,248</u></u>

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18. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2023 were allocated as follows:

	2023 £	2022 £
Northwood Park Primary School	575,295	590,296
Lodge Farm Primary School	505,889	334,125
Villiers Primary School	720,387	648,957
Busill Jones Primary School	364,735	611,873
Central Services	(1,203)	2,535
Total before fixed asset funds and pension reserve	<u>2,165,103</u>	<u>2,187,786</u>
Restricted fixed asset fund	16,394,831	16,228,462
Pension reserve	(1,485,000)	(3,934,000)
Total	<u><u>17,074,934</u></u>	<u><u>14,482,248</u></u>

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 2023 £	Total 2022 £
Northwood Pak Primary School	2,370,194	655,533	220,179	445,881	3,691,787	3,627,738
Lodge Farm Primary School	1,383,559	304,139	138,440	234,339	2,060,477	2,023,813
Villiers Primary School	2,167,327	511,050	203,568	392,479	3,274,424	3,158,444
Busill Jones Primary School	1,070,187	247,360	155,672	265,907	1,739,126	1,749,364
Central Services	-	-	-	3,805	3,805	-
Multi Academy Trust	<u><u>6,991,267</u></u>	<u><u>1,718,082</u></u>	<u><u>717,859</u></u>	<u><u>1,342,411</u></u>	<u><u>10,769,619</u></u>	<u><u>10,559,359</u></u>

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19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	-	16,438,178	16,438,178
Current assets	429,884	2,806,128	49,636	3,285,648
Creditors due within one year	-	(1,070,909)	(47,813)	(1,118,722)
Creditors due in more than one year	-	-	(45,170)	(45,170)
Provisions for liabilities and charges	-	(1,485,000)	-	(1,485,000)
Total	429,884	250,219	16,394,831	17,074,934

Analysis of net assets between funds - prior year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	16,369,262	16,369,262
Current assets	614,637	2,972,145	-	3,586,782
Creditors due within one year	-	(1,398,996)	(49,593)	(1,448,589)
Creditors due in more than one year	-	-	(91,207)	(91,207)
Provisions for liabilities and charges	-	(3,934,000)	-	(3,934,000)
Total	614,637	(2,360,851)	16,228,462	14,482,248

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20. Reconciliation of net expenditure to net cash flow from operating activities

	2023 £	2022 £
Net expenditure for the year (as per Statement of Financial Activities)	(39,314)	(640,846)
Adjustments for:		
Depreciation	955,401	817,117
Capital grants from DfE Group and other capital income	(204,974)	(35,576)
Interest receivable	(280)	(326)
Defined benefit pension scheme cost less contributions payable	16,000	747,000
Defined benefit pension scheme finance cost	167,000	177,000
(Increase)/decrease in debtors	(177,275)	165,033
(Decrease)/increase in creditors	(328,091)	166,851
Net cash provided by operating activities	388,467	1,396,253

21. Cash flows from financing activities

	2023 £	2022 £
Cash inflows from new borrowing	-	90,761
Repayments of borrowing	(47,813)	(7,830)
Net cash (used in)/provided by financing activities	(47,813)	82,931

22. Cash flows from investing activities

	2023 £	2022 £
Interest received	280	326
Purchase of tangible assets	(1,024,317)	(1,492,961)
Capital grants from DfE Group	204,974	35,576
Net cash used in investing activities	(819,063)	(1,457,059)

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23. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand and at bank	2,378,120	2,856,529
Total cash and cash equivalents	2,378,120	2,856,529

24. Analysis of changes in net debt

	At 1 September 2022 £	Cash flows £	At 31 August 2023 £
Cash at bank and in hand	2,856,529	(478,409)	2,378,120
Debt due within 1 year	(49,589)	1,776	(47,813)
Debt due after 1 year	(91,207)	46,037	(45,170)
	2,715,733	(430,596)	2,285,137

25. Capital commitments

	2023 £	2022 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	53,978	39,647

26. Pension commitments

The Multi Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by 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 2016 and of the LGPS 31 March 2019.

Contributions amounting to £Nil were payable to the schemes at 31 August 2023 (2022 - £Nil) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academy trusts. All teachers have the option to opt-out of the TPS following enrolment.

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

Valuation of the Teachers' Pension Scheme

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

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

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the year amounted to £828,000 (2022 - £815,000).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The 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.

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26. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £800,000 (2022 - £724,000), of which employer's contributions totalled £644,000 (2022 - £597,000) and employees' contributions totalled £156,000 (2022 - £127,000). The agreed contribution rates for future years are 26.6 per cent for employers and 5.5% - 12.5% per cent for employees.

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

Principal actuarial assumptions

	2023	2022
	%	%
Rate of increase in salaries	3.95	4.05
Rate of increase for pensions in payment/inflation	2.95	3.05
Discount rate for scheme liabilities	5.20	4.25

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

	2023	2022
	Years	Years
Retiring today		
Males - none	N/A	N/A
Females	23.7	23.6
Retiring in 20 years		
Males	20.6	22.9
Females	24.2	25.4

Sensitivity analysis

	2023	2022
	£000	£000
Discount rate +0.1%	(167)	(219)
Discount rate -0.1%	167	219
Mortality assumption - 1 year increase	264	344
Mortality assumption - 1 year decrease	(264)	(344)
CPI rate +0.1%	153	192
CPI rate -0.1%	(153)	(192)

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26. Pension commitments (continued)

Share of scheme assets

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

	At 31 August 2023	At 31 August 2022
	£	£
Equities	3,470,000	3,118,000
Bonds	1,072,000	978,000
Property	357,000	373,000
Cash and other liquid assets	204,000	185,000
Total market value of assets	5,103,000	4,654,000

The actual return on scheme assets was £58,000 (2022 - £130,000).

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

	2023	2022
	£	£
Current service cost	(660,000)	(1,344,000)
Interest income	212,000	76,000
Interest cost	(379,000)	(253,000)
Total amount recognised in the Statement of Financial Activities	(827,000)	(1,521,000)

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

	2023	2022
	£	£
At 1 September	8,588,000	14,241,000
Current service cost	660,000	1,344,000
Interest cost	379,000	253,000
Employee contributions	156,000	127,000
Actuarial gains	(3,074,000)	(7,324,000)
Benefits paid	(121,000)	(53,000)
At 31 August	6,588,000	8,588,000

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26. Pension commitments (continued)

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

	2023 £	2022 £
At 1 September	4,654,000	4,113,000
Interest income	212,000	76,000
Actuarial losses	(442,000)	(206,000)
Employer contributions	644,000	597,000
Employee contributions	156,000	127,000
Benefits paid	(121,000)	(53,000)
At 31 August	5,103,000	4,654,000

27. Operating lease commitments

At 31 August 2023 the Multi Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	2022 £
Not later than 1 year	14,782	21,812
Later than 1 year and not later than 5 years	8,371	23,152
	23,153	44,964

28. Members' liability

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

29. Related party transactions

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 12.