

SHINE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

Annual Report and Financial Statements

For the Year Ended 31 August 2018

SHINE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

Contents

	Page
Reference and Administrative Details	3
Trustees' Report	4 - 11
Governance Statement	12 - 15
Statement on Regularity, Propriety and Compliance	16
Statement of Trustees' Responsibilities	17
Independent Auditors' Report on the Financial Statements	18 - 20
Independent Reporting Accountant's Assurance Report on Regularity	21 - 22
Statement of Financial Activities Incorporating Income and Expenditure Account	23
Balance Sheet	24
Statement of Cash Flows	25
Notes to the Financial Statements	26 - 51

SHINE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

Reference and Administrative Details
For the Year Ended 31 August 2018

Members

Mr C Beardsley
Mr R Bevington
Mr J Paramore
Mr C Coverley
Mr W Rathore

Trustees

Mr S Clulow, Vice Chair
Mr C Coverley, Chair
Miss J Gant, Trustee
Mrs J O'Leary, CEO of the Trust
Mr J Richardson, Vice Chair (resigned 5 March 2018)
Ms E Williams, Trustee (resigned 15 March 2018)
Ms A Gregory, Trustee (appointed 11 September 2017)
Mrs M Robson, Trustee (appointed 1 November 2017)
Dr D Bailey, Trustee (appointed 1 December 2017)

Company registered number

08163448

Company name

Shine Multi Academy Trust

Principal and registered office

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

Company secretary

Mrs H Brooks

Senior management team

Mrs J O'Leary, CEO/Executive Head Teacher (Whitemoor)
Mrs S Brown, Finance and Business Director
Mrs J Hill, Acting Head Teacher (Whitemoor)
Mr S Moody, Head Teacher (Ranskill)
Ms J Grundy, Head Teacher (Ironville)
Ms K Hall, Head Teacher (Scotholme)

Independent auditors

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

Bankers

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

Solicitors

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

SHINE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

Trustees' Report
For the Year Ended 31 August 2018

The Board of Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2017 to 31 August 2018. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' report under company law.

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

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

The Trust comprises the following academies:

Whitemoor Academy (Whitemoor).

Ranskill Primary and Nursery (Ranskill).

Scotholme Primary and Nursery School (Scotholme).

Ironville and Codnor Park Primary School (Ironville) joined the Trust and converted to an academy on 1 March 2018.

Structure, governance and management

a. Constitution

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

The charitable company's Memorandum of Association is the primary governing document of the academy trust.

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

The charitable company is known as Shine Multi Academy Trust.

Details of the Trustees who served during the period are included in the Reference and administrative details on page 3.

b. Members' liability

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

c. Trustees' indemnities

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

SHINE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the Year Ended 31 August 2018

d. Method of recruitment and appointment or election of Trustees

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

The Trust shall have the following Trustees:

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

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

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

f. Organisational structure

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

The Local Governing Bodies control the individual academies' implementation of Trust policies and are supported by the Trust Central Team, they must also report back to the Board on a consistent and timely manner.

g. Pay policy for key management personnel

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

SHINE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the Year Ended 31 August 2018

Objectives and Activities

a. Objects and aims

The mission statement of our Trust is:

'Providing pupils with firm foundations whilst developing their uniqueness and allowing them to shine!'
All academies within SHINE are pledged to achieving the Trust's mission through adhering to the following three maxims which encompass our ethos and are the values we want our pupils, teachers and leaders to exemplify.

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

Provision:

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

Enhancement:

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

Enrichment:

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

Take Care:

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

Dare to be different:

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

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

Partnership Working

Our second year of working as a small but growing Trust has been focused on embedding systems and protocols of partnership working, which benefit each academy as well as contributing to the Trust's overall success.

Each academy within SHINE recognises the impact of true collaborative working and is committed to sharing best practice as well as receiving support for improvement when required.

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

- Projects that all academies will work on together due to this being a common area or issue for development.
- Collaborative support i.e. - one academy using its particular strength to help another in an identified area.

SHINE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the Year Ended 31 August 2018

- Support for an individual academy by the relevant member(s) of the SHINE Central Team.
- Special projects/action research for which particular Head Teachers, Teachers or Leaders take overall responsibility.

b. Objectives, strategies and activities

Our Business, Growth and Development Plan defines the objectives and aims for the coming year. This crucial document is our vehicle for improvement in all areas of work across SHINE and is split into five sections, each with its own targets, success criteria and risk management. Ongoing evaluation of this document informs our practice with actions and impacts regularly reported to the Board.

The five focus areas are:

- Taking care of our Pupils
- Taking care of our Staff
- Taking care of our Leaders
- Finance and Governance
- Growing SHINE as a Business

The Trust achieved its aims in four out of five areas.

Our overall growth has been inhibited by a lack of momentum in the national academy initiative. However, we have continued with networking and focused marketing strategies, we have still been unable to attract further schools to join SHINE voluntarily who are categorised as 'good' or 'outstanding' by Ofsted. However, we were chosen by the DFE as the academy sponsor for Ironville. After a lengthy conversion process, Ironville became part of SHINE in March 2018 and we are providing the academy with intensive support on its school improvement journey out of Special Measures.

We have also had recent news that the East Midlands and Humber Head Teacher Board together with the Regional School Commissioner have agreed further sponsorship for us with another Nottinghamshire school. This school will hopefully be joining us in early 2019.

This will complete our first cluster of five academies, the first stage of our model for growth, outlined in our original proposal to the DFE. This will bring the number of pupils within SHINE to over 1,350 moving us from the category of a starter to an established Trust (1200 to 5000 pupils).

c. Public benefit

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

Achievements and performance

Strategic report

a. Key performance indicators

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

SHINE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the Year Ended 31 August 2018

b. Going concern

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

c. Review of activities

Scotholme

Attainment

The school achieved the national average or above in pupils achieving the expected standard in Writing and Maths and also in the combined measure. Reading was only slightly below national and an improvement of 8% on the previous year's result.

Progress

Scotholme achieved positive progress scores in all three areas, considerably higher than the national benchmark in all three and significantly so in Mathematics.

Actions

The teaching of Mathematics remains a strength of the school. Scotholme will continue to support Whitemoor in improving the teaching and learning of Maths this year as part of our collaborative plan. The high focus placed on improving the outcomes in Reading for pupils over the last two years at Scotholme has had a major impact, as born out by the improvements in both attainment and progress at the end of Key Stage Two.

As well as a maintaining high achievement in the core subjects of Reading, Writing and Maths, Scotholme will be developing its wider curriculum this year. The new role of a specialist Music Teacher has been introduced who will be mentored by their counterpart at Whitemoor. As well as developing high quality classroom music provision, this partnership will organise and lead an Arts festival across SHINE in the coming year.

Whitemoor

Attainment

The academy achieved below national average in pupils achieving the expected level in all three subjects and in the combined measure. Although a slight increase in Reading and Maths since the previous year, these results were still disappointing.

Progress

Whitemoor was above national average for progress scores in all three areas with scores improving considerably in Reading and Maths since the previous year.

Actions

A temporary leadership structure was in place at Whitemoor last year awaiting the appointment of a suitably experienced and skilled permanent Headteacher. The new Headteacher is now in place and focused plans are already in place to redress the dip in attainment through a renewed high expectation approach. Scotholme will be supporting Whitemoor with an improvement of the provision in Early Years with the aim of increasing the percentage of pupils who achieve a good level of development as well as improvement with Maths.

Ranskill

Attainment

Achieved significantly above the national average in pupils attaining the expected standard in Reading, Writing, Maths and the combined measure.

SHINE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the Year Ended 31 August 2018

Progress

Ranskill achieved positive progress scores in Reading and Maths but was considerably above the national benchmark in all three. Progress in Maths dipped considerably since the previous year but has been thoroughly investigated by the school and found to be a cohort issue.

Actions

These are the best set of results in the school's history. Whilst keeping a close eye to ensure that such high standards are maintained in the core subjects, the school is quite rightly moving on to further develop its wider curriculum and revisit its overall vision for the next stage of its school improvement journey.

Ironville

Attainment

The school achieved results which were well below the national expectation in all subjects. However, predictions for next year's cohort and subsequently going forward show a much more positive trend with pupil's attitudes to learning improving significantly.

Progress

Ironville achieved above the national benchmark for progress in all three areas. However, progress scores are the lowest within SHINE and improvement in this area will be given high focus in the school's improvement plan with the CEO continuing to provide intensive weekly support.

Actions

Remembering that Ironville only joined SHINE in March 2018, the impact of our close partnership has not yet had sufficient time to impact on the outcomes at the end of Key Stage Two.

A raised expectation approach to Teaching and Learning has been introduced at the school and this has already impacted on the overall quality of teaching. Consistent systems and strategies with a track record of proven success have been introduced which need to now be embedded into daily practice. Much work has already taken place to involve the community in the life of the school and to raise the school's profile positively in the local area. This has been met with positive feedback from parents/carers and the school community.

As well as support from the central team at SHINE, Ironville will be working in close collaboration with Ranskill and Scotholme this year our two highest achieving schools within the Trust both with experienced and skilled Headteachers and with Leadership teams.

Financial review

a. Reserves policy

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

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

SHINE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the Year Ended 31 August 2018

b. Material investments policy

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

c. Principal risks and uncertainties

Risk Management

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

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

A change in Government Policy

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

Pension

The Trust's non-teaching staff are entitled to membership of the local government pension scheme. The Trust's share of the scheme's assets is a liability of £2,820,000. It should be noted that this does not present the Trust with any current liquidity problem.

d. Fundraising

All academies undertake internal fundraising such as summer fayres to raise money for their academies. Whitemoor used an external provider for a speed kick challenge, the pupils volunteered to raise sponsorship monies for the activity. Half of the monies raised went back to the school, and the other went to a charity, confirmation was received from the charity of the donation made.

Plans for future periods

a. Future developments

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

Will also continue with its ongoing review of all existing contracts in an attempt to maximise efficiency savings and to relieve the pressure on budgets both within the academies and the central service. Alongside this we will undertake bench marking, curriculum led planning and use the resource management tools available.

Identify ways of monitoring Standards effectively and take proactive steps to ensure that academies perform to their full potential.

Continue to build capacity for growth within the Trust.

SHINE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the Year Ended 31 August 2018

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 the steps that ought to have been taken as Trustees in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 14/12/18 and signed on its behalf by:



.....
Mr C Coverley
Chair of the Board of Trustees

SHINE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

Governance Statement

Scope of Responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the CEO, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Shine Multi Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 5 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr S Clulow, Vice Chair	3	5
Mr C Coverley , Chair	5	5
Miss J Gant, Trustee	3	5
Mrs J O'Leary, CEO of the Trust	5	5
Mr J Richardson, Vice Chair	1	3
Ms E Williams, Trustee	0	3
Ms A Gregory, Trustee	3	5
Mrs M Robson, Trustee	1	5
Dr D Bailey, Trustee	4	5

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

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

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

These can be further defined as:

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

SHINE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

Governance Statement (continued)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr S Clulow (Chair)	2	4
Mrs J O'Leary	4	4
Mr J Richardson (Vice)	2	2
Dr D Bailey	2	2
Miss J Gant	3	4
Mrs M Robson	3	4
Ms E Williams	0	2

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

Review of Value for Money

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

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

- Ensuring three quotes are obtained on all items over £1,000
- Ratification of the Budgets for the Financial Year is clearly minuted
- Reports for Trustees produced on items such as Pupil Premium/Sports grant
- Ensured value for money principles are taken fully into account within existing management, planning and review processes
- Adopt and recognising good practice where it is appropriate to do so
- Consolidating contracts and aligning service providers across the Trust
- Using SHINE Central Team expertise to minimise costs outsourced to fulfil new statutory requirements

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 ongoing process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Shine Multi Academy Trust for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

SHINE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

Governance Statement (continued)

The Risk and Control Framework

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- Regular reviews by the Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines.
- Delegation of authority and segregation of duties;
- Identification and management of risks.

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

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

- Testing of payroll
- Testing of purchase systems
- Testing of control account/bank reconciliations
- Testing of controls around other areas such as fixed assets, expense claims, income, connected party transactions and other compliance matters

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

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

SHINE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

Governance Statement (continued)

Review of Effectiveness

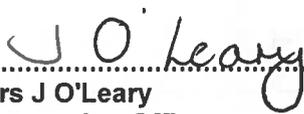
As Accounting Officer, the CEO has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Resources Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 13/12/18 and signed on their behalf, by:


.....
Mr C Coverley
Chair of the Board of Trustees


.....
Mrs J O'Leary
Accounting Officer

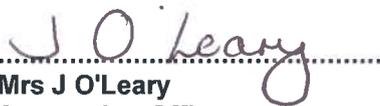
SHINE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Shine Multi Academy Trust I have considered my responsibility to notify the academy trust Board and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust Board are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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 and ESFA.


.....
Mrs J O'Leary
Accounting Officer

Date: - 14/12/18 -

SHINE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

Statement of Trustees' Responsibilities
For the Year Ended 31 August 2018

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 Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Board 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 Board is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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



.....
Mr C Coverley
Chair of the Board of Trustees

Date: 14/12/18

SHINE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

Independent Auditors' Report on the Financial Statements to the Members of Shine Multi Academy Trust

Opinion

We have audited the financial statements of Shine Multi Academy Trust (the 'Trust') for the year ended 31 August 2018 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The Board are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

SHINE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

Independent Auditors' Report on the Financial Statements to the Members of Shine Multi Academy Trust

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

SHINE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

Independent Auditors' Report on the Financial Statements to the Members of Shine Multi Academy Trust

Use of our report

This report is made solely to the 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 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 Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Sarah Flear
Smith Cooper Audit Limited

Sarah Flear (Senior Statutory Auditor)

for and on behalf of

Smith Cooper Audit Limited

Chartered Accountants and Statutory Auditors

2 Lace Market Square

Nottingham

NG1 1PB

Date: *17/12/18*

SHINE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

Independent Reporting Accountants' Assurance Report on Regularity to Shine Multi Academy Trust and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 8 August 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Shine Multi Academy Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Shine Multi Academy Trust's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Shine Multi Academy Trust's funding agreement with the Secretary of State for Education dated 30 November 2016, and the Academies Financial Handbook extant from 1 September 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusion includes:

- a review of the outcome of the 2017 regularity audit
- a review of the evidence used to support the Accounting Officer's conclusions on the Regularity Statement
- a review of the adequacy of the internal audit function and the adequacy of the program of work
- a review of the internal audit reports during the year ended 31 August 2018
- a review of the internal control environment and whether the environment has regard to regularity of transactions. Consideration to significant changes in the control environment and whether this has led to potential weaknesses
- confirmation through enquiry and sample testing that gifts and hospitality are given and received in line with the Trust's policies

SHINE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

Independent Reporting Accountants' Assurance Report on Regularity to Shine Multi Academy Trust and the Education & Skills Funding Agency (continued)

- confirmation through enquiry and sample testing that the use of expense claims or credit cards and petty cash adheres to internal control principles and that items are not for personal benefit
- confirmation through enquiry and sample testing that expenditure does not contravene the funding agreement
- confirmation through enquiry and sample testing that the lines of delegation and limits set both internally and by the ESFA have been adhered to
- consideration to procurement and tendering procedures ensuring these have been correctly adhered to and administered
- consideration to the compliance of the Trust's delegated authorities over financial transactions and evidence of prior approval from the Secretary of State where applicable
- a review of declarations of business interests for all governors/directors and key staff
- a review of transactions with connected parties ensuring these have been completed following correct procurement and tendering procedures
- a review of meeting minutes of the various committees
- consideration of executive pay ensuring that the Board follow a robust evidence-based process and that these decisions are documented.
- consideration to the distribution of ESFA letters received by the Trust and that these are shared with members, trustees, Chief Financial Officer and other members of the senior leadership team and that this distribution is evidenced within board minutes.
- a review of any excessive purchases of gifts and alcohol.
- consideration of timely responses to findings by auditors.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Smith Cooper Audit limited

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

Date: *17/12/18*

SHINE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

Statement of Financial Activities incorporating Income and Expenditure Account
For the Year Ended 31 August 2018

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000	
Note						
INCOME FROM:						
Donations & capital grants:						
Transfer from local authority on conversion	2	13	(113)	2,053	1,953	4,182
Other donations and capital grants	2	-	3	27	30	131
Charitable activities: Funding for the Academy Trust's educational operations	4	-	5,675	-	5,675	4,323
Other trading activities	3	9	-	-	9	3
TOTAL INCOME		22	5,565	2,080	7,667	8,639
EXPENDITURE ON:						
Charitable activities: Academy trust educational operations						
		-	6,096	282	6,378	4,652
TOTAL EXPENDITURE	5	-	6,096	282	6,378	4,652
NET BEFORE TRANSFERS		22	(531)	1,798	1,289	3,987
Transfers between Funds	16	-	(28)	28	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		22	(559)	1,826	1,289	3,987
Actuarial gains on defined benefit pension schemes	22	-	880	-	880	107
NET MOVEMENT IN FUNDS		22	321	1,826	2,169	4,094
RECONCILIATION OF FUNDS:						
Total funds brought forward	16	6	(2,755)	7,358	4,609	515
TOTAL FUNDS CARRIED FORWARD		28	(2,434)	9,184	6,778	4,609

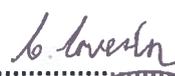
The notes on pages 26 to 51 form part of these financial statements.

SHINE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)
Registered number: 08163448

Balance Sheet
As at 31 August 2018

	Note	£000	2018 £000	2017 £000
FIXED ASSETS				
Tangible assets	12		9,185	7,357
CURRENT ASSETS				
Stocks	13	9		8
Debtors	14	304		200
Cash at bank and in hand		510		746
		823		954
CREDITORS: amounts falling due within one year	15	(410)		(533)
NET CURRENT ASSETS			413	421
TOTAL ASSETS LESS CURRENT LIABILITIES			9,598	7,778
Defined benefit pension scheme liability	22		(2,820)	(3,169)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			6,778	4,609
FUNDS OF THE ACADEMY				
Restricted income funds:				
Restricted income funds	16	386		414
Restricted fixed asset funds	16	9,184		7,358
Restricted income funds excluding pension liability		9,570		7,772
Pension reserve		(2,820)		(3,169)
Total restricted income funds			6,750	4,603
Unrestricted income funds	16		28	6
TOTAL FUNDS			6,778	4,609

The financial statements on pages 23 to 51 were approved by the Trustees, and authorised for issue, on 14/12/18 and are signed on their behalf, by:



Mr C Coverley
 Chair of Trustees

The notes on pages 26 to 51 form part of these financial statements.

SHINE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

Statement of Cash Flows
For the Year Ended 31 August 2018

	Note	2018 £000	2017 £000
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	18	<u>(221)</u>	<u>438</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(56)	(215)
Capital grants from DfE Group		27	130
Cash transferred on conversion to an academy trust		14	195
Net cash (used in)/provided by investing activities		<u>(15)</u>	<u>110</u>
Change in cash and cash equivalents in the year		(236)	548
Cash and cash equivalents brought forward		<u>746</u>	<u>198</u>
Cash and cash equivalents carried forward	19	<u><u>510</u></u>	<u><u>746</u></u>

The notes on pages 26 to 51 form part of these financial statements.

SHINE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical 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 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

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

1.2 Company status

The Trust is a company limited by guarantee incorporated in England within the United Kingdom. The address of the company's registered office is given in the company information page of these financial statements.

The members of the company are the Trustees named on page 3. In the event of the Trust being wound up, the liability in respect of the guarantee is limited to £10 per member of the Trust.

A description of the nature of the Trust's operations and its principal activities is given in the governors' report within these financial statements.

1.3 Going concern

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

SHINE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

1. ACCOUNTING POLICIES (continued)

1.4 Income

All income is recognised once the Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. 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 period is deducted from income and recognised as a liability.

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

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

Where assets are received by the Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risk and rewards of ownership pass to the trust. An equal amount of income is recognised as a transfer on conversion within Income from donations and capital grants.

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

All resources expended are inclusive of irrecoverable VAT.

SHINE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

1. ACCOUNTING POLICIES (continued)

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

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

Freehold property	-	25 - 39 years straight line
Building improvements	-	10 - 15 years straight line
L/Term Leasehold Land	-	Over the term of the lease (125 years)
Fixtures and fittings	-	5 years straight line
Computer equipment	-	3 years straight line

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

1.7 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities incorporating Income and Expenditure Account on a straight-line basis over the lease term.

1.8 Stocks

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

1.9 Taxation

The Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 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.

SHINE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

1. ACCOUNTING POLICIES (continued)

1.10 Liabilities and provisions

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

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

1.11 Fund accounting

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

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

1.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Amounts due to the Trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 15. 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 instruments. Amounts due to the Trust's wholly owned subsidiary are held at face value less any impairment.

SHINE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

1. ACCOUNTING POLICIES (continued)

1.13 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore 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 scheme and the assets are held separately from those of the Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.14 Conversion to an academy trust

The conversion from a state-maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operations of the school for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Ironville & Codnor Park Primary School to an academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations - transfer from local authority on conversion in the Statement of Financial Activities incorporating Income and Expenditure Account and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 20.

SHINE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

1. ACCOUNTING POLICIES (continued)

1.15 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

Pension scheme

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Depreciation

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

Critical areas of judgment:

Transfer in of convertor academy trust

On 1 March 2018 the Ironville and Codnor Primary School was transferred into the Trust. Significant balances transferred included the LGPS pension scheme deficit and leasehold land and buildings. Whilst valuations have been received in respect of these assets and liabilities, there is an inherent level of judgment and estimation involved in their recognition as alluded to above.

SHINE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000	<i>Total funds 2017 £000</i>
Transfer from local authority on conversion	13	(113)	2,053	1,953	4,182
Donations	-	3	-	3	1
Capital Grants	-	-	27	27	130
Subtotal	-	3	27	30	131
	13	(110)	2,080	1,983	4,313
<i>Total 2017</i>	-	(1,015)	5,328	4,313	

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	<i>Total funds 2017 £000</i>
Lettings & Uniform income	9	-	9	3
	9	-	9	3
<i>Total 2017</i>	3	-	3	

SHINE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

4. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	<i>Total funds 2017 £000</i>
DfE/ESFA grants				
General Annual Grant	-	4,667	4,667	3,361
Start up Grant	-	24	24	67
Other DfE Group Grants	-	483	483	565
	<u>-</u>	<u>5,174</u>	<u>5,174</u>	<u>3,993</u>
Other government grants				
Local authority grants	-	259	259	187
Special educational projects	-	129	129	77
	<u>-</u>	<u>388</u>	<u>388</u>	<u>264</u>
Other income from the academy trust's educational operations				
School trip income	-	23	23	18
Other income	-	90	90	48
	<u>-</u>	<u>113</u>	<u>113</u>	<u>66</u>
	<u>-</u>	<u>5,675</u>	<u>5,675</u>	<u>4,323</u>
<i>Total 2017</i>	<u>66</u>	<u>4,257</u>	<u>4,323</u>	

5. EXPENDITURE

	Staff costs 2018 £000	Premises 2018 £000	Other costs 2018 £000	Total 2018 £000	<i>Total 2017 £000</i>
Academy Trust's educational operations:					
Direct costs	3,957	-	264	4,221	3,147
Support costs	1,020	308	829	2,157	1,505
	<u>4,977</u>	<u>308</u>	<u>1,093</u>	<u>6,378</u>	<u>4,652</u>
<i>Total 2017</i>	<u>3,669</u>	<u>175</u>	<u>808</u>	<u>4,652</u>	

SHINE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

6. NET INCOME/EXPENDITURE

Net income/(expenditure) for the period includes:

	2018	<i>2017</i>
	£000	<i>£000</i>
Operating lease rentals	18	<i>13</i>
Depreciation	283	<i>212</i>
Fees payable to auditor for:		
- audit	15	<i>12</i>
- other services	10	<i>7</i>

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

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

SHINE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

7. CHARITABLE ACTIVITIES

	Total funds 2018 £000	<i>Total funds 2017 £000</i>
DIRECT COSTS		
Teaching and educational support staff costs	3,155	2,359
National insurance	293	217
Pension cost	509	376
Depreciation	44	57
Other direct costs	104	84
Educational supplies	116	54
	4,221	<i>3,147</i>
ANALYSIS OF SUPPORT COSTS		
Support staff costs	490	351
National insurance	41	24
Pension cost	489	343
Depreciation	237	155
Technology costs	57	40
Maintenance of premises and equipment	79	33
Cleaning	100	65
Rates	28	20
Energy costs	80	39
Insurance	48	25
Catering	257	189
Other support costs	226	201
Governance costs	25	20
	2,157	<i>1,505</i>
	6,378	<i>4,652</i>

SHINE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

8. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018	2017
	£000	£000
Wages and salaries	3,568	2,650
Social security costs	334	240
Operating costs of defined benefit pension schemes	998	719
	4,900	3,609
Agency staff costs	77	60
	4,977	3,669

Included within pension costs is £83,000 (2017 - £60,000) of defined benefit pension scheme net finance cost.

b. Staff numbers

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

	2018	2017
	No.	No.
Teachers	56	56
Administration and support	111	112
Management	3	3
	170	171

c. Higher paid staff

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

	2018	2017
	No.	No.
In the band £60,001 - £70,000	2	1
In the band £70,001 - £80,000	0	1
In the band £80,001 - £90,000	1	0

The above employees participated in the Teachers Pension Scheme. During the year ended 31 August 2018, pension contributions for these employees amounted to £35,382 (2017 - £23,271).

d. Key management personnel

The key management personnel of the Trust comprise the CEO, CFO and the Head Teachers. The total amount of employee benefits (including employer pension contributions and employer national insurance) received by key management personnel, and their close family members, for their services to the Trust was £428,684 (2017 - £315,587).

SHINE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

9. CENTRAL SERVICES

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

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

The Trust charges for these services on the following basis:

Flat percentage of income - 4% for Ranskill, Scotholme and Whitemoor. A rate of 5% was used for Ironville due to being in special measures.

The actual amounts charged during the year were as follows:

	2018	2017
	£000	£000
Ranskill Academy	19	13
Scotholme Academy	73	40
Whitemoor Academy	75	51
Ironville Academy	13	-
	180	104
Total	180	104

10. TRUSTEES REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees remuneration and other benefits was as follows:

		2018	2017
		£000	£000
Judith O'Leary (CEO)	Remuneration	80-85	75-80
	Pension contributions paid	10-15	10-15
Peter Bevington (staff trustee) - resigned	Remuneration	Nil	10-15
	Pension contributions paid	Nil	0-5
Paul Richards (staff trustee) - resigned	Remuneration	Nil	5-10
	Pension contributions paid	Nil	0-5
Deborah Watts (staff trustee) - resigned	Remuneration	Nil	0-5
	Pension contributions paid	Nil	0-5

During the year ended 31 August 2018, expenses totalling £171 (2017 - £1,499) were reimbursed to 1 Trustee (2017 - 4).

SHINE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

11. TRUSTEES' AND OFFICERS' INSURANCE

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

12. TANGIBLE FIXED ASSETS

	Leasehold property £000	Furniture and fixtures £000	Computer equipment £000	Total £000
Cost				
At 1 September 2017 (as restated)	7,665	127	186	7,978
Additions	17	36	3	56
Transferred on Conversion	2,050	-	3	2,053
At 31 August 2018	<u>9,732</u>	<u>163</u>	<u>192</u>	<u>10,087</u>
Depreciation				
At 1 September 2017	417	60	144	621
Charge for the year	237	22	22	281
At 31 August 2018	<u>654</u>	<u>82</u>	<u>166</u>	<u>902</u>
Net book value				
At 31 August 2018	<u>9,078</u>	<u>81</u>	<u>26</u>	<u>9,185</u>
<i>At 31 August 2017 (as restated)</i>	<u>7,248</u>	<u>67</u>	<u>42</u>	<u>7,357</u>

During the year the ownership of existing school land, buildings and other assets were transferred to the Trust from the Local Education Authority, at no costs and has been included in the Financial Statements at Depreciated Replacement Cost (DRC).

The Trustees regard the value of the Ironville & Codnor Park Primary School land and buildings transferred to the Trust from the Local Education Authority to be so significant as to warrant a full external valuation as at March 2018. The valuation was undertaken by FHP Property Consultants, an independent RICS qualified surveyor on a DRC basis. The DRC valuation includes all estimated costs of replacing the assets including finance costs. The DRC valuation of freehold land and buildings recognised in the Financial Statements at March 2018 is £2,050,000.

The valuations have been obtained for the purposes of the opening balance sheet only. The assets will therefore be held at their opening value and depreciated over their remaining useful economic life. A policy of revaluation will not be adopted.

The brought forward values have been restated in the year to account for an incorrect classification of leasehold property held by the Trust.

SHINE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

13. STOCKS

	2018	2017
	£000	£000
Finished goods and goods for resale	<u>9</u>	<u>8</u>

14. DEBTORS

	2018	2017
	£000	£000
Trade debtors	2	1
VAT recoverable	111	50
Prepayments and accrued income	191	149
	<u>304</u>	<u>200</u>

15. CREDITORS: Amounts falling due within one year

	2018	2017
	£000	£000
Trade creditors	118	106
Other taxation and social security	84	46
Other creditors	2	46
Accruals and deferred income	206	335
	<u>410</u>	<u>533</u>

	2018	2017
	£000	£000
Deferred income		
Deferred income at 1 September 2017	181	54
Resources deferred during the year	134	181
Amounts released from previous years	(181)	(54)
Deferred income at 31 August 2018	<u>134</u>	<u>181</u>

At the balance sheet date the Trust was holding funds received in advance for Universal Free School Meals, Higher Level Needs, and Additional Inclusion Allowance.

SHINE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

16. STATEMENT OF FUNDS

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
Unrestricted funds						
Unrestricted funds	6	22	-	-	-	28
Restricted funds						
General Annual Grant (GAG)	415	4,667	(4,668)	(28)	-	386
Other DfE Group Grants	-	507	(507)	-	-	-
Other government grants	-	388	(388)	-	-	-
Other restricted	-	113	(113)	-	-	-
Donations	-	3	(3)	-	-	-
Pension reserve	(3,170)	(113)	(417)	-	880	(2,820)
	<u>(2,755)</u>	<u>5,565</u>	<u>(6,096)</u>	<u>(28)</u>	<u>880</u>	<u>(2,434)</u>
Restricted fixed asset funds						
Assets transferred from predecessor school	6,849	2,053	(207)	-	-	8,695
Capital expenditure from GAG	78	27	(33)	-	-	72
DfE Group capital grants	431	-	(42)	28	-	417
	<u>7,358</u>	<u>2,080</u>	<u>(282)</u>	<u>28</u>	<u>-</u>	<u>9,184</u>
Total restricted funds	<u>4,603</u>	<u>7,645</u>	<u>(6,378)</u>	<u>-</u>	<u>880</u>	<u>6,750</u>
Total of funds	<u><u>4,609</u></u>	<u><u>7,667</u></u>	<u><u>(6,378)</u></u>	<u><u>-</u></u>	<u><u>880</u></u>	<u><u>6,778</u></u>

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

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

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

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

SHINE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

16. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £000	<i>Total 2017 £000</i>
Whitemoor Academy	128	105
Ranskill Academy	27	48
Scotholme Academy	294	242
Shine (Central)	(79)	26
Ironville & Codnor Park Primary School	44	-
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	414	421
Restricted fixed asset fund	9,184	7,358
Pension reserve	(2,820)	(3,169)
	<hr/>	<hr/>
Total	6,778	4,610
	<hr/> <hr/>	<hr/> <hr/>

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

Name of academy	Amount of deficit £000
Shine (Central)	79

The Trust employed a Leader of Governance, who not only acts as company secretary and clerk to the Trust Board, she undertakes all the work and minute taking for all the Local Governing Body meetings. She has ensured that the Trustees and Governors have the knowledge and skills to fulfil their role effectively and to hold leaders to account. This role has helped to ensure our suite of policies are compliant and fit for purpose. Extraordinary work such as complaints, exclusions and admissions have been dealt with through secure procedure to safeguard the Trust and utilising board expertise.

We have also included a Data Protection Officer role across the Trust, to comply with GDPR.

We were hopeful to receive some grant monies to help with these changes, but unfortunately were not successful.

The Trust is taking the following action to return the academies to surplus:

However, going forward we feel the Central team is now in a stable condition to take on more schools, without growing the Central team further, we plan to use internal expertise within our academies to build capacity. Due to these new roles and the current central team expertise, the Trust have evaluated the % charged for central services, and in addition are considering outsourcing these specialist roles to gain revenue.

SHINE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

16. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2018 £000	<i>Total 2017 £000</i>
Whitemoor Academy	1,598	448	50	348	2,444	2,496
Ranskill Academy	396	88	13	136	633	369
Scotholme Academy	1,614	333	46	348	2,341	1,330
Shine (central)	140	117	1	85	343	245
Ironville Academy	209	34	6	87	336	-
	<u>3,957</u>	<u>1,020</u>	<u>116</u>	<u>1,004</u>	<u>6,097</u>	<u>4,440</u>

SHINE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

16. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	<i>Balance at 1 September 2016 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2017 £000</i>
General funds						
Unrestricted funds	3	3	-	-	-	6
Restricted funds						
General Annual Grant (GAG)	90	3,361	(2,996)	(40)	-	415
Start up Grant	-	67	(67)	-	-	-
Other DfE Group Grant	-	565	(565)	-	-	-
Other government grants	-	264	(264)	-	-	-
Other restricted	-	262	(262)	-	-	-
Pension reserve	(1,780)	(1,211)	(286)	-	107	(3,170)
	<u>(1,690)</u>	<u>3,308</u>	<u>(4,440)</u>	<u>(40)</u>	<u>107</u>	<u>(2,755)</u>
Restricted fixed asset funds						
Assets transferred from predecessor school	1,785	5,198	(134)	-	-	6,849
Capital expenditure from GAG	127	-	(49)	-	-	78
DfE Group Capital Grants	290	130	(29)	40	-	431
	<u>2,202</u>	<u>5,328</u>	<u>(212)</u>	<u>40</u>	<u>-</u>	<u>7,358</u>
Total restricted funds	<u>512</u>	<u>8,636</u>	<u>(4,652)</u>	<u>-</u>	<u>107</u>	<u>4,603</u>
Total of funds	<u>515</u>	<u>8,639</u>	<u>(4,652)</u>	<u>-</u>	<u>107</u>	<u>4,609</u>

A CURRENT YEAR 12 MONTHS AND PRIOR YEAR 12 MONTHS COMBINED POSITION IS AS FOLLOWS:

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
Unrestricted funds						
Unrestricted funds	3	25	-	-	-	28

SHINE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

16. STATEMENT OF FUNDS (continued)

Restricted funds

General Annual Grant (GAG)	90	8,028	(7,664)	(68)	-	386
Start up Grant	-	67	(67)	-	-	-
Other DfE Group Grant	-	1,072	(1,072)	-	-	-
Other government grants	-	652	(652)	-	-	-
Other restricted	-	375	(375)	-	-	-
	-	3	(3)	-	-	-
Pension reserve	(1,780)	(1,324)	(703)	-	987	(2,820)
	<u>(1,690)</u>	<u>8,873</u>	<u>(10,536)</u>	<u>(68)</u>	<u>987</u>	<u>(2,434)</u>

Restricted fixed asset funds

Assets transferred from predecessor school	1,785	7,251	(341)	-	-	8,695
Capital expenditure from GAG	127	27	(82)	-	-	72
	-	-	(42)	28	-	(14)
DfE Group Capital Grants	290	130	(29)	40	-	431
	<u>2,202</u>	<u>7,408</u>	<u>(494)</u>	<u>68</u>	<u>-</u>	<u>9,184</u>
	<u>512</u>	<u>16,281</u>	<u>(11,030)</u>	<u>-</u>	<u>987</u>	<u>6,750</u>
Total of funds	<u><u>515</u></u>	<u><u>16,306</u></u>	<u><u>(11,030)</u></u>	<u><u>-</u></u>	<u><u>987</u></u>	<u><u>6,778</u></u>

SHINE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000
Tangible fixed assets	-	1	9,184	9,185
Current assets	30	795	-	825
Creditors due within one year	(2)	(410)	-	(412)
Provisions for liabilities and charges	-	(2,820)	-	(2,820)
	<u>28</u>	<u>(2,434)</u>	<u>9,184</u>	<u>6,778</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000
Tangible fixed assets	(1)	-	7,357	7,357
Current assets	7	948	-	954
Creditors due within one year	-	(534)	-	(533)
Provisions for liabilities and charges	-	(3,169)	-	(3,169)
	<u>6</u>	<u>(2,755)</u>	<u>7,357</u>	<u>4,609</u>

18. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £000	2017 £000
Net income for the year (as per Statement of Financial Activities)	1,289	3,987
Adjustment for:		
Depreciation charges	282	212
Net assets transferred from Local Authority	(2,067)	(5,392)
Increase in stocks	(1)	(7)
Increase in debtors	(80)	(81)
(Decrease)/increase in creditors	(147)	353
Capital grants from DfE and other capital income	(27)	(130)
Defined benefit pension scheme obligation inherited	113	1,211
Defined benefit pension scheme cost less contributions payable	334	225
Defined benefit pension scheme finance cost	83	60
Net cash (used in)/provided by operating activities	<u>(221)</u>	<u>438</u>

SHINE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018	2017
	£000	£000
Cash in hand	510	746
Total	510	746

20. CONVERSION TO AN ACADEMY TRUST

On 1 March 2018 Ironville & Codnor Park Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Shine Multi Academy Trust from Derbyshire County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities incorporating Income and Expenditure Account as Donations - transfer from local authority on conversion

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities incorporating Income and Expenditure Account.

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds
	£000	£000	£000	£000
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	2,050	2,050
- Other tangible fixed assets	-	-	3	3
Budget surplus/(deficit) on LA funds	13	-	-	13
LGPS pension surplus/(deficit)	-	(113)	-	(113)
Net assets/(liabilities)	13	(113)	2,053	1,953

21. CAPITAL COMMITMENTS

At 31 August 2018 the Trust had capital commitments as follows:

	2018	2017
	£000	£000
Contracted for but not provided in these financial statements	-	10

SHINE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

22. PENSION COMMITMENTS

The Trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Nottinghamshire County Council and Derbyshire County Council. Both are Multi-Employer Defined Benefit Pension Schemes.

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

As described in note 21 the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who are eligible to, and did, join the scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

Contributions amounting to £Nil were payable to the schemes at 31 August 2018 (2017 - 39,804) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge.
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

SHINE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

22. PENSION COMMITMENTS (continued)

The employer's pension costs paid to TPS in the period amounted to £342,000 (2017 - £247,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £320,000 (2017 - £243,000), of which employer's contributions totalled £243,000 (2017 - £182,000) and employees' contributions totalled £77,000 (2017 - £61,000). The agreed contribution rates for future years are 18.3% for employers and 5.5% to 12.5% for employees.

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

Principal actuarial assumptions:

	2018	<i>2017</i>
Discount rate for scheme liabilities	2.70 %	<i>2.60 %</i>
Rate of increase in salaries	3.80 %	<i>4.20 %</i>
Rate of increase for pensions in payment / inflation	2.30 %	<i>2.70 %</i>
RPI increases	3.30 %	<i>3.60 %</i>

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

	2018	<i>2017</i>
Retiring today		
Males	22.7	<i>22.6</i>
Females	25.6	<i>25.5</i>
Retiring in 20 years		
Males	24.9	<i>24.8</i>
Females	28	<i>27.9</i>

Derbyshire County Council

Principal actuarial assumptions:

	2018	<i>2017</i>
Discount rate for scheme liabilities	2.80 %	<i>2.50 %</i>
Rate of increase in salaries	2.80 %	<i>2.90 %</i>
Rate of increase for pensions in payment / inflation	2.30 %	<i>2.40 %</i>

SHINE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

22. PENSION COMMITMENTS (continued)

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

	2018	<i>2017</i>
Retiring today		
Males	21.9	<i>21.9</i>
Females	24.4	<i>24.4</i>
Retiring in 20 years		
Males	23.9	<i>23.9</i>
Females	26.5	<i>26.5</i>

A sensitivity analysis showing how the measurement of scheme liabilities would have been affected by changes in the relevant assumptions that were reasonably possible at the balance sheet date are as follows:

Sensitivity analysis	At 31 August 2018 £000	<i>At 31 August 2017 £000</i>
Discount rate +0.1%	5,953	<i>5,598</i>
Discount rate -0.1%	6,267	<i>5,892</i>
Mortality assumption - 1 year increase	6,307	<i>5,747</i>
Mortality assumption - 1 year decrease	5,914	<i>5,565</i>
Adjustment to pension increases +0.1%	6,245	<i>5,872</i>
Adjustment to pension increases -0.1%	5,973	<i>5,619</i>

SHINE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

22. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2018 £000	<i>Fair value at 31 August 2017 £000</i>
Equities	2,124	1,704
Debt instruments	367	310
Property	436	300
Cash	74	54
Gilts	85	81
Other	202	124
Total market value of assets	<u>3,288</u>	<u>2,573</u>

The actual return on scheme assets was £189,000 (2017 - £275,000).

The amounts recognised in the Statement of Financial Activities incorporating Income and Expenditure Account are as follows:

	2018 £000	<i>2017 £000</i>
Current service cost	(577)	(407)
Net interest cost	(83)	(60)
Total	<u>(660)</u>	<u>(467)</u>

Movements in the present value of the defined benefit obligation were as follows:

	2018 £000	<i>2017 £000</i>
Opening defined benefit obligation	5,743	3,100
Conversion of academy trusts	347	2,083
Current service cost	577	407
Interest cost	155	107
Contributions by scheme participants and other employers	77	61
Change in financial assumptions	(765)	(4)
Estimated benefits paid net of transfers in	(26)	(11)
Closing defined benefit obligation	<u>6,108</u>	<u>5,743</u>

SHINE MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

22. PENSION COMMITMENTS (continued)

Movements in the fair value of the Trust's share of scheme assets:

	2018	2017
	£000	£000
Opening fair value of scheme assets	2,573	1,320
Conversion of academy trusts	234	872
Interest on assets	74	47
Actuarial losses	115	103
Employer contributions	243	182
Employee contributions	77	61
Estimated benefits paid net of transfers in	(26)	(11)
Administration expenses	(1)	(1)
	<u>3,289</u>	<u>2,573</u>
Closing fair value of scheme assets	<u><u>3,289</u></u>	<u><u>2,573</u></u>

23. OPERATING LEASE COMMITMENTS

At 31 August 2018 the total of the Trust's future minimum lease payments under non-cancellable operating leases was:

	2018	2017
	£000	£000
Amounts payable:		
Within 1 year	26	17
Between 1 and 5 years	43	43
	<u>69</u>	<u>60</u>
Total	<u><u>69</u></u>	<u><u>60</u></u>

24. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and 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 10.

25. MEMBERS' LIABILITY

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

