

Registration number: 08557883

BRIGHTER ACADEMY TRUST

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2021

Brighter Academy Trust

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Brighter Academy Trust

Reference and Administrative Details

Members	M Blacklock G Hossack A Eastick
Trustees (Directors)	M Blacklock (resigned 18 June 2021) G Brown (resigned 11 September 2020) A Eastick, Chair of Directors S Gallagher N Holder, Principal
Senior Management Team	N Holder, Principal B McCrudden, Vice Principal A Leach, Assistant Principal J Reay, Assistant Principal R Allsop, Director of Business & Finance C Appleby, Assistant Principal (appointed 1 January 2021) A Roberts, Assistant Principal (appointed 1 January 2021)
Principal and Registered Office	Farringdon Community Academy Allendale Road Sunderland SR3 3EL
Company Name	Brighter Academy Trust
Company Registration Number	08557883
Auditors	MHA Tait Walker Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS
Bankers	Lloyds Bank 102 Grey Street Newcastle upon Tyne NE1 6AG
Solicitors	Womble Bond Dickinson St. Ann's Wharf 112 Quayside Newcastle upon Tyne NE1 3DX

Brighter Academy Trust

Trustees Report for the Year Ended 31 August 2021

The directors present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates an academy for pupils aged 11 to 16 serving a catchment area in South Sunderland, Tyne and Wear. It has a pupil capacity of 900 and had a roll of 723 in the school census on 1 October 2020.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The directors are the trustees of Brighter Academy Trust and are also the directors of the charitable company for the purposes of company law. At present the only academy within the academy trust is Farringdon Community Academy.

The academy trust was incorporated on 5 June 2013, having converted from a maintained school. The charitable company is known as Farringdon Community Academy.

Accounts produced are for the 12 month period to 31 August 2021. Details of the directors who served during the year are included in the Reference and Administrative Details on page 1.

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.

Directors' indemnities

The academy trust has purchased insurance to protect directors from claims arising against negligent acts, errors or omissions occurring whilst on academy business. Further details are provided in note 9.

Method of recruitment and appointment or election of directors

Only members of the academy trust can appoint directors as prescribed in the Articles of Association. Where potential candidates are highlighted by directors they take their proposal to members for approval. Members can also appoint directly should support be required to the board in a particular area.

Members ensure that a minimum of three and no more than twelve directors are appointed. The term of office for any director shall be four years, save that this time limit shall not apply to the principal or any post held ex officio. Subject to remaining eligible to be a particular type of director, any director may be re-appointed or re-elected.

Brighter Academy Trust

Trustees Report for the Year Ended 31 August 2021 (continued)

Policies and procedures adopted for the induction and training of directors

The training and induction provided for new directors depends on their existing experience. Where necessary, induction and training is provided on charity, educational, legal and financial matters. All new directors are given a tour of the academy and the chance to meet with staff and students. All directors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as directors. As there are normally only one or two new directors a year, induction tends to be done informally and is tailored specifically to the individual.

Organisational structure

The governance and leadership structure within the academy trust consists of four levels: the board of directors, the local governing body, the senior leadership team and the workforce. The aim of the management structure is to provide a clear framework of accountability, encouraging involvement in decision making at all levels.

The senior leadership team is responsible for controlling the academy trust at an executive level, implementing the policies laid down by the directors and reporting back to them. As a group the senior leadership team are bound by the academy trust's scheme of delegation, which provides a clear framework for the delegation of authority and responsibility within the organisation.

Arrangements for setting pay and remuneration of key management personnel

The academy trust has a pay policy, which has been developed to comply with current legislation, the requirements of the School Teachers' Pay and Conditions Documents (STPCD) and the National Joint Council (NCJ) Local Government Service Pay and Conditions. Pay decisions at the academy are made by the personnel, salaries and staffing committee and the governing body review salaries on an annual basis. The pay scales for appointments to the leadership group comply with paragraphs 5 to 9 of the STPCD or Part 2 paragraph 5 of the NCJ Local Government Service Pay and Conditions are determined by the governing body. In making such determinations the following factors are taken into account:

- the requirement and nature of the post;
- the level of qualifications, skills, experience and specialist knowledge required;
- market conditions; and
- the wider school context.

Pay progression is linked to an individual's performance and appraisal report. The governing body may award either no increase, or an incremental increase of up to two reference points depending upon the level of performance demonstrated. Where a member of the leadership group reaches the top of their pay range, they will continue to be paid at this level until such a time that the governing body is able to reassess the pay range using the academy pay policy and part 2 of the STPCD

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Trustees Report for the Year Ended 31 August 2021 (continued)

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials	1
Full-time equivalent employee number	1

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Total cost of facility time	-
Total pay bill	-
Percentage of the total pay bill spent on facility time	-

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-
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Related parties and co-operation with other organisations

Owing to the nature of the academy trust's operations and the composition of the board of directors being drawn from the local public and private sector organisations, it is inevitable that transactions will take place with the organisation in which a member of the board of trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures and in entering into such transactions the academy trust ensures these comply with the requirements of the Academies Financial Handbook 2020. Further details are stated in note 25 to the financial statements.

OBJECTIVES AND ACTIVITIES

The principal objective and activity of the charitable company is the operation of Farringdon Community Academy to provide education for students of different abilities between the ages of 11 and 16.

The academy trust's vision is:

'All students, irrespective of background, acquire the skills for life, take pride in what they do, who they are, and in their community, and become confident, respectable and upstanding citizens'.

The academy trust's values are:

- respect
- resilience
- endeavour
- high aspirations and attainment
- high standards and expectations

Brighter Academy Trust

Trustees Report for the Year Ended 31 August 2021 (continued)

The academy trust's strategic aims are:

- to deliver excellence in education;
- to contribute to improving standards through school to school partnership models;
- support staff and students to make rapid and sustained improvements;
- to develop and share leadership expertise across the partnership to support transformational change;
- to deliver strong governance and quality assurance models; and
- to capitalise on the mutual benefits of partnership in the community

The academy trust's educational aims are to secure quality education for all its students which will, regardless of background:

- provide academic rigor and challenge to raise aspiration and foster ambition;
- instil the academic and social skills necessary to take the next steps in education or employment;
- inspire them to be creative and entrepreneurial;
- encourage the skills of research, enquiry and independent learning;
- provide individual support to overcome barriers to learning;
- instil community responsibility and respect for others;
- to provide equal opportunities for every child;
- be inclusive and value diversity; and
- help students to become morally responsible and proactive citizens.

Targeted improvement and focus on individual pupils

Farringdon Community Academy is an inclusive school. It is recognised that at some time in their school career, most children will need support of some kind or other. The academy is well-resourced area to cater for the needs of a wide range of special educational needs. Facilities include a quiet working area for students, nurture group and a relaxation and sensory room. Students are given help by specialists in several ways, from regular literacy sessions to support in class and also in small teaching groups if needed. To support vulnerable students there are two resourced provisions within the academy; Nurture and the Learning Zone. Nurture supports students who are anxious or suffering from mental health issues whilst the Learning Zone provides an alternative to exclusion.

Care is taken in all subjects to provide teaching materials suitable to all levels of ability so that all students can follow a curriculum pathway appropriate to their needs. Responsibility for all students having special needs, including those with statements, rests with the SENCO who leads a team of teachers and teaching assistants working in all academic areas and liaises closely with pastoral and academic staff as well as agencies such as the Local Authority's specialist services. It is an important part of our school. The school follows all procedures of the Special Educational Needs Code of Practice.

We value all students equally and ensure that their opportunities and experiences reflect this in order that they can fulfil both their personal and academic potential. We acknowledge that education is a life-long process and as such a partnership between the school, the students, their parents and the wider community. As such, our staffing structure is designed to meet the needs of all students.

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Trustees Report for the Year Ended 31 August 2021 (continued)

Public benefit

The academy trust's aims and achievements are set out within this report. The activities set out in this report have been undertaken to further the charity's charitable purposes for the public benefit. The directors have complied with the duty under Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charities Commission and the directors have paid due regard to this guidance in deciding what activities the charity should undertake.

STRATEGIC REPORT

Achievements and performance

The 2020-21 examinations in England were cancelled by the Government due to the Covid-19 pandemic. Instead, teacher assessed grades (TAGs) were awarded to all students based upon a range of evidence completed as part of their course. TAGs were internally quality assured and submitted to exam boards with evidence to support the grades.

During the year, Farringdon Community Academy achieved the following teacher assessed grades:

GCSEs :

- 39% of students achieved 5+ grades in English and mathematics;
- 59% of students achieved 4+ grades in English and mathematics;
- 65% of students achieved 9 to 4 grades in mathematics;
- 67% of students achieved 9 to 4 grades in English; and
- progress 8 score = -0.8

The results above show a decline in performance compared to 2019-20. This was expected during such an unprecedented year of disruption to teaching and learning for students as a result of the Covid-19 pandemic.

Moving into 2021-22 the academy's primary focus remains to continue to improve results. This will be achieved mainly by:

- effective use of Covid-19 recovery funding
- the use of external tutors to provide small group and 1:1 tuition
- student mentoring
- increasing student attendance and reducing persistent absence
- improving student progress, particularly disadvantaged and SEN students
- continuing to raise teaching and learning standards

Financial review

Most of the academy trust's income is obtained from the Department for Education (DfE) via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE/ESFA during the year ended 31 August 2021 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

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Trustees Report for the Year Ended 31 August 2021 (continued)

The academy trust also receives grants for fixed assets from the DfE/ESFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2019), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

A deficit budget was submitted to the ESFA for 2020-21 due to uncertainty around the impact of the COVID-19 pandemic. Additional costs for enhanced cleaning, PPE, ICT equipment and agency staff cover costs were included within the forecast, along with an estimated loss of facility hire income. Overall the academy is reporting a small surplus for 2020-21 mainly due to increased local authority revenue grant income not budgeted and savings on various expenditure such as exams costs, cleaning consumables and general student resources.

During the year ended 31 August 2021, total expenditure of £5,324,000 (2020: £5,654,000) exceeded recurrent grant funding from the DfE/ESFA together with other incoming resources. The excess of expenditure over income for the year (before transfers and actuarial gains) was £749,000 (2020: surplus of £171,000).

All of the expenditure shown in the Statement of Financial Activities is in furtherance of the academy trust's objectives.

At 31 August 2021 the net book value of fixed assets was £6,318,000 and movements in tangible fixed assets are shown in note 10 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the academy.

The provisions of FRS102 'Retirement Benefits' have been applied in full, resulting in a deficit of £3,513,000 (2020: £3,340,000) recognised on the balance sheet.

The academy trust held fund balances at 31 August 2021 of £2,974,000 (2020: £3,493,000) comprising £6,135,000 of restricted fixed asset funds (2020: £6,511,000), £239,000 restricted income funds (2020: £137,000), £113,000 unrestricted income funds (2020: £185,000) and a deficit of £3,513,000 (2020: £3,340,000) restricted pension funds.

Financial and risk management objectives and policies

The academy trust is subject to a number of risks and uncertainties in common with other academies. The academy trust has in place procedures to identify and mitigate financial risks. These are mentioned briefly below and discussed further in the Risk Management Governance Statement sections of this report.

Principle risks and uncertainties

One of the main risks faced by the academy trust is a decrease in funding due to a reduction of year 7 admissions. The academy trust has undertaken scenario planning to identify any risks early and put plans in place to control this risk.

The academy trust has a marketing plan to support recruitment of year 6 students.

This plan includes:

- Improving results and behaviour across the academy and gaining a 'Good' Ofsted rating.
- Year 5 transition events - throughout the summer term.

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Trustees Report for the Year Ended 31 August 2021 (continued)

- Open evening for year 6 students to promote the school.
- Maintaining good relationships with our primary feeder schools.
- Advertisements and banners.
- Use of social media.

The academy was confirmed in January 2021 as being one of the first fifty schools in England selected as part of the Government School Rebuilding Programme. As the only secondary school in Sunderland to be awarded a new build we expect interest in the academy to increase. When plans are released we will promote to the community and local feeder primary schools.

Reserves policy

The directors review the reserve levels of the academy trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The directors have determined that the appropriate level of free reserves should be £100,000. This level of reserves is deemed appropriate to fund any unforeseen costs or loss in income.

At the balance sheet date, reserves have been built up to £2,974,000 of this £239,000 is restricted (2019-20: £137,000) and £113,000 unrestricted (2019-20: £185,000) see note 14.

Investment policy

The academy trust invests surplus funds through high interest bank accounts. Interest rates are reviewed prior on an ongoing basis. This policy maximises investment return whilst ensuring that the academy trust only invests in risk free and immediately accessible accounts.

Key performance indicators

The key performance indicator results for the academy trust in year are:

Indicator	Target	Actual
Students achieving five or more 9-4 grades	85%	60%
Student attendance	95%	88%
Recruitment of Year 7 students	180	134
Ofsted Inspection Report grading	Good	Requires Improvement
Finance	Target	Actual
Free reserves	£100,000	£352,000
Staff costs as a percentage of total expenditure	80%	83%

Students achieving five or more 9-4 grades is significantly lower than target in 2020-21 and a decline on the 2019-20 results. The reason for the decline is attributed to the impact of the Covid19 pandemic. The trust leadership team are using ESFA recovery funding to identify gaps in student learning and put measures and interventions in place to bridge these gaps.

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Trustees Report for the Year Ended 31 August 2021 (continued)

Free reserves at the end of the financial year are in excess of target following a surplus of unrestricted funds in recent years. Staff costs as a percentage of total expenditure is slightly above target, this can be explained by a higher annual percentage pay rise for teaching staff from September 2020 and severance payments in the year. The academy followed recommendations outlined in the Department for Education's School Teachers Pay and Conditions Document.

Going concern

The Academy has submitted a balanced 2021-22 budget to the ESFA. This assumes no further lock-down periods due to Covid -19 or loss of lettings and catering income. The board of directors therefore has a reasonable expectation that the academy 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 Statement of Accounting Policies.

Plans for future periods

The academy trust's plan for the future remains to create a vibrant and successful academy trust, in which we can nurture and support our students to achieve their full potential. The next couple of years will be critical in our development and our intention is to continue the performance improvement journey at Farringdon Community Academy. Our aim is to achieve 'good' status, which we will use as a platform for the academy trust's further development. A recent Ofsted monitoring visit has indicated that the academy is making progress towards rating. We intend to continue to build upon our improvement process by:

Leadership and management: To improve the consistency of middle leadership within the school by;

- sharing of good practice between all members of staff; and
- increased rigor of monitoring, undertaken by the senior management team
- ensure effective governance arrangements are in place holding leaders to account

Student Achievement: To achieve a Progress 8 score above +0 by:

- improved monitoring of teaching for challenge and differentiation;
- increased focus on strategies to support students with special educational needs and disadvantaged or vulnerable students;
- ensuring attendance and behaviour is improved and students are committed to learning;
- promoting literacy across the academy;
- targeted and individualised continuous professional development for all staff members.

Improving educational results

Brighter Academy Trust has now completed its seventh financial year in operation. Currently, although established as a multi academy trust, there is only one academy within the trust, Farringdon Community Academy.

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Trustees Report for the Year Ended 31 August 2021 (continued)

Attendance within the academy is closely monitored, with an 88% attendance rate achieved for the 2020-21 academic year; this is significantly below target and a decline of 4% on 2019-20. Covid-19 had a big impact on the student attendance figures. Students who contracted Covid were initially absent for at least 14 days (later reduced to 10 days), this is a lot longer than a student would usually be absent from school due to illness. The attendance team have recently introduced a new system to reduce the administrative burden and allow more time to work with students and their families. Attendance clinics and celebration assemblies are some of the strategies being implemented in 2021-22 to improve attendance.

Funds held as Custodian Trustee on behalf of others

The academy trust holds no funds as custodian trustee on behalf of others.

Fundraising

The academy trust does not work with commercial participators or professional fundraisers and does not engage third parties to undertake fundraising activities on its behalf.

Should individuals wish to complain about any fundraising activities conducted by the academy trust, they should follow the complaints or whistleblowing policy as appropriate.

Auditor

Insofar as the directors are aware:

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

Reappointment of auditor

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of MHA Tait Walker as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

The trustees report, incorporating a Strategic Report, was approved by order of the members of the Governing Body on 9 December 2021 and signed on its behalf by:

.....
A Eastick
Trustee

Brighter Academy Trust

Governance Statement

Scope of responsibility

As directors, we acknowledge we have overall responsibility for ensuring that Brighter 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 has delegated the day-to-day responsibility to the principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Brighter Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Directors' Report and in the Directors Responsibilities Statement. The board of directors has formally met 3 times during the year. Attendance during the year at meetings of the board of directors was as follows:

Directors	Meetings attended	Out of possible
M Blacklock	3	3
A Eastick (Chair of Directors)	3	3
N Holder (Principal and Accounting Officer)	3	3
S Gallagher	3	3

The finance, audit & risk management committee (previously named finance, premises and health & safety committee) is a sub-committee of the board of directors where three directors are members. Its purpose is to provide additional scrutiny in all matters relating to finance and to support the management team towards delivering continuous improvement.

Attendance at meetings in the year was as follows:

Directors	Meetings attended	Out of possible
M Blacklock	3	4
A Eastick (Chair of Directors)	4	4
N Holder (Principal and Accounting Officer)	2	4

Review of value for money

As accounting officer the principal has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that the value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the academy trust's use of its resources has provided good value for money during each academy year, and reports to the board of directors where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

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Governance Statement (continued)

Better purchasing

All contracts are appraised or renegotiated in a timely manner. We have reviewed service level agreements to assess value for money. Three quotes are obtained for all purchases that are in excess of £1,000.

Maximising income generation

As a community conscious academy trust, opportunities are taken to explore and generate additional and reliable revenue streams, such as letting out sports facilities to the community, and commercial customers. In particular, the hire of our 3G pitch has proved popular, together with regular use of the swimming pool and sports hall.

Furthermore, contracts have been negotiated and delivered to the schools in the local area for the provision of sports education and attendance officer service.

Funding bids are completed for specific projects where the required criteria are met, and it is ensured that all procurement rules are followed where successful. During 2020/21 works continued to improve the heating system across the academy. This was funded by a successful bid for a grant from the ESFA's Conditional Improvement Fund.

In 2018-19, the Department for Education announced funding to boost the attainment and improve standards of North East schools under the Opportunity North East (ONE) initiative. The academy was selected as one of the ONE Vision schools in the area to receive a share of the grant funding. This funding was invested in improving student attainment and attendance and continuous professional development for staff. Funding has been agreed into 2021-22.

Reviewing controls and managing risks

The local governing body formed the finance, audit & risk management committee, which acts as the audit committee for the academy trust. The committee meets on a termly basis, with additional meetings required for specific ad hoc issues. A risk register is held by the academy and is monitored on an on-going basis and updated where necessary.

Monthly management accounts are prepared, which highlight the variances of spend against budget, along with projected and actual cash flow, a report on capital expenditure and an end of month balance sheet position.

A treasury management policy has been approved by the finance, audit & risk management committee and ratified by the local governing body on behalf of the board to ensure that the academy trust obtains maximum returns on surplus balances but at an agreed level of risk.

Insurance levels are reviewed annually which incorporates a review on cost effectiveness in order to manage risks.

Lessons learned

The finance, audit & risk management committee, with the assistance of the business manager, review expenditure annually and make adjustments based on effectiveness of strategies and curriculum development. Detailed management reports have been developed to monitor finances carefully.

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Governance Statement (continued)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the academy trust's 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 Brighter Academy Trust for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of directors;
- regular reviews by the finance, audit & risk management 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; and
- identification and management of risks.

The board of directors has considered the need for a specific internal audit function and has decided to appoint the internal audit function of Sunderland City Council as internal auditor.

The purpose of the audit is to assess the academy's exposure to key risk areas. It was agreed that the audit would focus on the areas below:

- Governance
- Financial planning, budgeting setting and monitoring
- Income
- Expenditure
- Accounting arrangements

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Governance Statement (continued)

On an annual basis, the auditor reports to the board of trustees, through the finance, audit & risk management committee on the operation of the systems of control and on the discharge of the board of directors' financial responsibilities. The report on the review of 2020-21 provides substantial assurance that the trust has effective governance and financial arrangements in place. There were no high or significant risks identified as part of the work undertaken.

Review of effectiveness

As accounting officer the principal 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's reports;
- the work of the external auditor;
- the financial management and governance self-assessment process; and
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

Approved by order of the members of the Governing Body on 9 December 2021 and signed on its behalf by:

.....
A Eastick
Trustee


.....
N Holder
Trustee

Brighter Academy Trust

Statement of Regularity, Propriety and Compliance

As Accounting Officer of Brighter Academy Trust I have considered my responsibility to notify the academy trust Governing Body and the Education and 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 2020.

I confirm that I and the academy trust Governing Body 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 2020.

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 Governing Body and ESFA.



.....
N Holder, Principal
Accounting officer

9 December 2021

Brighter Academy Trust

Statement of Trustees' Responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under company law the directors 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 directors are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The directors 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 directors 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 directors 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 on 9 December 2021 and signed on its behalf by:

.....
A Eastick
Trustee

Brighter Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of Brighter Academy Trust

Opinion

We have audited the financial statements of Brighter Academy Trust (the 'Academy') for the year ended 31 August 2021, which comprise the Statement of Financial Activities for the (including Income and Expenditure Account), Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 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 Academy's affairs as at 31 August 2021 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021.

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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Brighter Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of Brighter Academy Trust (continued)

Other information (covers the Reference and Administrative Details, the Trustees Report and the Governance Statement)

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's 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.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees Report 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees Report.

We have nothing to report in respect of the following matters where 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 directors remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 16], the directors 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 directors 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 directors are responsible for assessing the Academy'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 directors either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

Brighter Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of Brighter Academy Trust (continued)

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

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

- enquiries of management and those charged with governance around any actual or potential litigation and claims;
- enquiries of management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- challenging assumptions and judgements made by management in their significant accounting estimates;
- auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- reading correspondence with regulators including the OFSTED;
- reviewing minutes of those charged with governance;
- reviewing internal assurance reports; and
- reviewing financial statement disclosures and testing to support documentation.

We identified the following areas as those most likely to have a material impact on the financial statements: Health and Safety; employment law (including the Working Time Directive); and compliance with the Charities Act 2011 and UK Companies Act.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Brighter Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of Brighter Academy Trust (continued)

Use of our report

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



.....
Brian Laidlaw BA CA (Senior Statutory Auditor)
For and on behalf of MHA Tait Walker,
Statutory Auditor
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: 15 December 2021

MHA Tait Walker is a trading name of Tait Walker LLP.

Brighter Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to Brighter Academy Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 22 April 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Brighter Academy Trust during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of the Governing Body's funding agreement with the Secretary of State for Education dated 1 July 2013 and the Academies Financial Handbook extant from 1 September 2020, 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 2020 to 2021. 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 from 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Review of Governing Body and committee minutes;
- Review of annual Internal Assurance reports;
- Completion of self assessment questionnaire by Accounting Officer;
- Discussions with the Accounting Officer and finance team;
- Review documentation provided to Governors and Accounting Officer setting out responsibilities;
- Obtained formal letter of representation detailing the responsibilities of Governors;
- Review of payroll, purchases and expenses claims on a sample basis;
- Confirmation that the lines of delegation and limits set have been adhered to;

Brighter Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to Brighter Academy Trust and the Education and Skills Funding Agency (continued)

- Evaluation of internal control procedures and reporting lines;
- Review cash payments for unusual transactions;
- Review of credit card transactions;
- Review of register of interests;
- Review related party transactions;
- Review of borrowing agreements;
- Review of land and building transactions;
- Review of potential and actual bad debts;
- Review an instance of gifts/hospitality to ensure in line with policy;
- Consideration of governance issues.

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 from 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

This report is made solely to Brighter Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to Brighter 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 Brighter Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.



.....
MHA Tait Walker
Chartered Accountants
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: 15 December 2021
.....

MHA Tait Walker is a trading name of Tait Walker LLP.

Brighter Academy Trust

Statement of Financial Activities for the Year Ended 31 August 2021 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2021 £ 000
Income and endowments from:					
Donations and capital grants	2	-	-	(99)	(99)
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	94	5,198	-	5,292
Other trading activities	4	131	-	-	131
Total		<u>225</u>	<u>5,198</u>	<u>(99)</u>	<u>5,324</u>
Expenditure on:					
Raising funds	5	66	-	-	66
<i>Charitable activities:</i>					
Academy trust educational operations	6	231	5,499	277	6,007
Total		<u>297</u>	<u>5,499</u>	<u>277</u>	<u>6,073</u>
Net expenditure		(72)	(301)	(376)	(749)
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	24	-	230	-	230
Net movement in deficit		(72)	(71)	(376)	(519)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2020		<u>185</u>	<u>(3,203)</u>	<u>6,511</u>	<u>3,493</u>
Total funds/(deficit) carried forward at 31 August 2021		<u>113</u>	<u>(3,274)</u>	<u>6,135</u>	<u>2,974</u>

Brighter Academy Trust

Statement of Financial Activities for the Year Ended 31 August 2020 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2020 £ 000
Income and endowments from:					
Donations and capital grants	2	-	-	630	630
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	97	4,960	-	5,057
Other trading activities	4	137	-	-	137
Total		<u>234</u>	<u>4,960</u>	<u>630</u>	<u>5,824</u>
Expenditure on:					
Raising funds	5	67	-	-	67
<i>Charitable activities:</i>					
Academy trust educational operations	6	185	5,156	245	5,586
Total		<u>252</u>	<u>5,156</u>	<u>245</u>	<u>5,653</u>
Net (expenditure)/income		(18)	(196)	385	171
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	24	-	(1,312)	-	(1,312)
Net movement in (deficit)/funds		(18)	(1,508)	385	(1,141)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2019		<u>203</u>	<u>(1,695)</u>	<u>6,126</u>	<u>4,634</u>
Total funds/(deficit) carried forward at 31 August 2020		<u>185</u>	<u>(3,203)</u>	<u>6,511</u>	<u>3,493</u>

Brighter Academy Trust

(Registration number: 08557883)

Balance Sheet

	Note	2021 £ 000	2020 £ 000
Fixed assets			
Tangible assets	10	6,318	6,255
Current assets			
Debtors	11	258	831
Cash at bank and in hand		<u>465</u>	<u>330</u>
		723	1,161
Creditors: Amounts falling due within one year	12	<u>(420)</u>	<u>(434)</u>
Net current assets		<u>303</u>	<u>727</u>
Total assets less current liabilities		6,621	6,982
Creditors: Amounts falling due after more than one year	13	<u>(134)</u>	<u>(149)</u>
Net assets excluding pension liability		6,487	6,833
Pension scheme liability	24	<u>(3,513)</u>	<u>(3,340)</u>
Net assets including pension liability		<u>2,974</u>	<u>3,493</u>
Funds of the Academy:			
Restricted funds			
Restricted income fund	14	239	137
Restricted fixed asset fund	14	6,135	6,511
Restricted pension fund	14	<u>(3,513)</u>	<u>(3,340)</u>
		2,861	3,308
Unrestricted funds			
Unrestricted income fund	14	<u>113</u>	<u>185</u>
Total funds		<u>2,974</u>	<u>3,493</u>

The financial statements on pages 23 to 47 were approved by the directors, and authorised for issue on 9 December 2021 and signed on their behalf by:

.....
A Eastick
Trustee

Brighter Academy Trust

Statement of Cash Flows

	Note	2021 £ 000	2020 £ 000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	18	744	(375)
Cash flows from investing activities	20	(586)	321
Cash flows from financing activities	19	<u>(23)</u>	<u>(2)</u>
Change in cash and cash equivalents in the year		135	(56)
Cash and cash equivalents at 1 September		<u>330</u>	<u>386</u>
Cash and cash equivalents at 31 August	21	<u><u>465</u></u>	<u><u>330</u></u>

Brighter Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

1 Accounting policies

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

Basis of preparation

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 2019 (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

These financial statements are prepared in sterling which is the functional currency of the entity.

Going concern

The directors 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 company to continue as a going concern. The directors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants

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

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

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are spent on capital projects in line with the terms and conditions of the grant. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Brighter Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations

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

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

Investment income

Interest receivable is included in the statement of financial activities on an accruals basis.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

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.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Brighter Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

Charitable activities

These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

Tangible fixed assets

Assets costing £1,000 (£250 for ICT equipment) or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on either a straight-line or reducing balance basis over its expected useful lives, per the table below.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

Asset class

Long leasehold buildings and modifications
Computer equipment
Furniture & equipment
Motor vehicles and minibuses

Depreciation method and rate

Straight line over 10-50 years
Straight line over 2-3 years
Straight line over 2-10 years
Straight line over 3 years

Liabilities

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

Provisions

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

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

Brighter Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

Leased assets

Rentals under operating leases are charged on a straight-line basis over the lease term.

Salix loan

The academy trust has obtained salix loans to fund capital projects. Payments are made twice a year over a period of 8 years. At the year end the outstanding balance on the loans are recognised as a liability.

Financial Instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy 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 11. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 12. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Taxation

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

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

Pension benefits

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

Brighter Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

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

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

Fund accounting

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

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 Education Skills and Funding Agency and the Department for Education Group.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. 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.

Brighter Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

Depreciation

The academy trust has made an estimate of the useful lives of the tangible fixed assets. The estimation requires the company to consider how long the asset is likely to be useful and charge the cost of the tangible fixed asset over its life to the Statement of Financial Activities. The charge for the current year was £277,000 (2020 - £245,000).

Critical areas of judgement

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Assessing indicator of impairment.

In assessing whether there have been any indicators of impairment of assets the trustees have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairment identified during the current financial year.

2 Donations and capital grants

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2021 £ 000	Total 2020 £ 000
Capital grants	-	-	(246)	(246)	630
Donations - local authority asset transfer	-	-	67	67	-
Donated fixed assets	-	-	80	80	-
	<u>-</u>	<u>-</u>	<u>(99)</u>	<u>(99)</u>	<u>630</u>
	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2020 £ 000	
Total 2020	<u>-</u>	<u>-</u>	<u>630</u>	<u>630</u>	

Brighter Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2021 £ 000	Total 2020 £ 000
DfE/ESFA revenue grants					
General Annual Grant GAG	-	4,320	-	4,320	4,232
Other ESFA Group grants	-	653	-	653	568
	<u>-</u>	<u>4,973</u>	<u>-</u>	<u>4,973</u>	<u>4,800</u>
Other government grants					
Local authority grants	-	139	-	139	148
	<u>-</u>	<u>139</u>	<u>-</u>	<u>139</u>	<u>148</u>
COVID-19 additional funding (DfE/ESFA)					
Catch-up Premium	-	25	-	25	-
	<u>-</u>	<u>25</u>	<u>-</u>	<u>25</u>	<u>-</u>
COVID-19 additional funding (non-DfE/ESFA)					
Coronavirus exceptional support	-	-	-	-	12
Other Coronavirus funding	-	35	-	35	-
	<u>-</u>	<u>35</u>	<u>-</u>	<u>35</u>	<u>12</u>
Non-government grants and other income					
Other income	94	26	-	120	97
Total grants	<u>94</u>	<u>5,198</u>	<u>-</u>	<u>5,292</u>	<u>5,057</u>

Brighter Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

3 Funding for the Academy Trust's educational operations (continued)

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2020 £ 000
Total 2020	<u>97</u>	<u>4,960</u>	<u>-</u>	<u>5,057</u>

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

The funding received for coronavirus exceptional support covers £59,654 of Mass Testing income and Covid catch up premium. The associated costs are included in note 6 below as appropriate.

	2021 £ 000	2020 £ 000
Other DfE/ESFA Grants		
Rates reclaim	21	21
Pupil Premium and Service Premium	281	267
Other	<u>351</u>	<u>280</u>
	<u>653</u>	<u>568</u>

4 Other trading activities

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2021 £ 000	Total 2020 £ 000
Hire of facilities	59	-	-	59	61
Other income	<u>72</u>	<u>-</u>	<u>-</u>	<u>72</u>	<u>76</u>
	<u>131</u>	<u>-</u>	<u>-</u>	<u>131</u>	<u>137</u>
	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2020 £ 000	
Total 2020	<u>137</u>	<u>-</u>	<u>-</u>	<u>137</u>	

Brighter Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

5 Expenditure

	Non Pay Expenditure			Total 2021 £ 000	Total 2020 £ 000
	Staff costs £ 000	Premises £ 000	Other costs £ 000		
Expenditure on raising funds	-	-	66	66	67
Academy's educational operations					
Direct costs	3,627	277	164	4,068	3,914
Allocated support costs	1,179	231	529	1,939	1,672
	<u>4,806</u>	<u>508</u>	<u>759</u>	<u>6,073</u>	<u>5,653</u>

	Non Pay Expenditure			Total 2020 £ 000
	Staff costs £ 000	Premises £ 000	Other costs £ 000	
Total 2020	<u>4,494</u>	<u>477</u>	<u>682</u>	<u>5,653</u>

Net income/(expenditure) for the year includes:

	2021 £ 000	2020 £ 000
Operating lease rentals	10	17
Depreciation	277	245
Fees payable to auditor - audit	8	8
Fees payable to auditor - other audit services	<u>2</u>	<u>2</u>

6 Charitable activities

	2021 £ 000	2020 £ 000
Direct costs - educational operations	4,068	3,914
Support costs - educational operations	<u>1,939</u>	<u>1,672</u>
	<u>6,007</u>	<u>5,586</u>

Brighter Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

6 Charitable activities (continued)

	Educational operations £ 000	Total 2021 £ 000	Total 2020 £ 000
Analysis of support costs			
Support staff costs	1,179	1,179	1,051
Technology costs	39	39	62
Premises costs	231	231	231
Legal costs	5	5	5
Other support costs	473	473	312
Governance costs	12	12	11
Total support costs	<u>1,939</u>	<u>1,939</u>	<u>1,672</u>

7 Staff

Staff costs

	2021 £ 000	2020 £ 000
Staff costs during the year were:		
Wages and salaries	3,303	3,174
Social security costs	317	303
Operating costs of defined benefit pension schemes	<u>1,019</u>	<u>904</u>
	4,639	4,381
Supply staff costs	127	113
Staff restructuring costs	<u>40</u>	<u>-</u>
	<u>4,806</u>	<u>4,494</u>
	2021 £ 000	2020 £ 000
Staff restructuring costs comprise:		
Severance payments	<u>40</u>	<u>-</u>

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £30,296 (2020: £Nil). Individually, the payments were:

Non-contractual payments £14,928

Non-contractual payments £15,368

Brighter Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

7 Staff (continued)

Staff numbers

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

	2021	2020
	No.	No.
Charitable Activities		
Teachers	43	45
Administration and support	70	70
Management	7	6
	<u>120</u>	<u>121</u>

Higher paid staff

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

	2021	2020
	No.	No.
£60,001 - £70,000	3	2
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-
	<u>1</u>	<u>-</u>

Key management personnel

The key management personnel of the academy trust comprise the directors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £544,708 (2020 - £577,386).

8 Related party transactions - trustees' remuneration and expenses

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

N Holder (Principal):

Remuneration: £90,000 - £95,000 (2020 - £80,000 - £85,000)

Employer's pension contributions: £20,000 - £25,000 (2020 - £15,000 - £20,000)

During the year ended 31 August 2021, travel and subsistence expenses totalling £Nil (2020 - £93) were reimbursed or paid directly to directors (2020 - 1).

Brighter Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

8 Related party transactions - trustees' remuneration and expenses (continued)

Other related party transactions involving the directors are set out in note 25.

9 Trustees' and officers' insurance

The academy 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 directors 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 directors and officers indemnity element from the overall cost of the RPA scheme.

10 Tangible fixed assets

	Leasehold land and buildings £ 000	Furniture and equipment £ 000	Motor vehicles £ 000	Computer equipment £ 000	Total £ 000
Cost					
At 1 September 2020	6,747	787	3	106	7,643
Additions	165	70	-	105	340
Disposals	-	(2)	-	(10)	(12)
At 31 August 2021	<u>6,912</u>	<u>855</u>	<u>3</u>	<u>201</u>	<u>7,971</u>
Depreciation					
At 1 September 2020	993	317	3	75	1,388
Charge for the year	166	64	-	47	277
Eliminated on disposals	-	(2)	-	(10)	(12)
At 31 August 2021	<u>1,159</u>	<u>379</u>	<u>3</u>	<u>112</u>	<u>1,653</u>
Net book value					
At 31 August 2021	<u>5,753</u>	<u>476</u>	<u>-</u>	<u>89</u>	<u>6,318</u>
At 31 August 2020	<u>5,754</u>	<u>470</u>	<u>-</u>	<u>31</u>	<u>6,255</u>

11 Debtors

	2021 £ 000	2020 £ 000
Trade debtors	19	5
VAT recoverable	46	43
Prepayments	72	76
Accrued grant and other income	<u>121</u>	<u>707</u>
	<u>258</u>	<u>831</u>

Brighter Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

12 Creditors: amounts falling due within one year

	2021	2020
	£ 000	£ 000
Trade creditors	131	171
Loans	25	31
Other creditors	12	24
Accruals	158	159
Deferred income	94	49
	<u>420</u>	<u>434</u>
	2021	2020
	£ 000	£ 000
Deferred income		
Deferred income at 1 September 2020	49	27
Resources deferred in the period	94	49
Amounts released from previous periods	<u>(49)</u>	<u>(27)</u>
Deferred income at 31 August 2021	<u>94</u>	<u>49</u>

At the Balance Sheet date, the Trust was holding funds received in advance for rates relief, lunch money, COVID-19 catch up and Sport England grant.

13 Creditors: amounts falling due after one year

	2021	2020
	£ 000	£ 000
Other loans	<u>134</u>	<u>149</u>

Included within creditors: amounts falling due in more than one year is £32,113 (2020 - £40,178) of creditors due in more than five years, repayable by instalments.

Loans of £18,800 from Salix Finance Ltd which is provided on the following terms: Salix Energy Efficiency loan - Interest free loan repayable through GAG in 6-monthly installments of £1,878 from September 2018.

Loans of £28,500 from Department of Education which is provided on the following terms: Department of Education loan - 10 year loan repayable through GAG in monthly installments of £295 from September 2020. Interest is charged at 2.29% per annum.

Loans of £112,500 from Salix Finance Ltd which is provided on the following terms: Salix Energy Efficiency loan - Interest free loan repayable through GAG in 6-monthly installments of £9,375 from September 2019.

Brighter Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

14 Funds

	Balance at 1 September 2020 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2021 £ 000
Restricted general funds					
General Annual Grant (GAG)	119	4,320	(4,218)	-	221
Other DfE / ESFA grants	18	653	(653)	-	18
Other government grants	-	139	(139)	-	-
Other restricted funds	-	60	(60)	-	-
COVID-19	-	26	(26)	-	-
	<u>137</u>	<u>5,198</u>	<u>(5,096)</u>	<u>-</u>	<u>239</u>
Restricted fixed asset funds					
DfE group capital grants	1,105	(246)	-	-	859
Inherited funds	4,426	-	(277)	-	4,149
Other	899	-	-	-	899
Capital donations	81	147	-	-	228
	<u>6,511</u>	<u>(99)</u>	<u>(277)</u>	<u>-</u>	<u>6,135</u>
Restricted pension funds					
LGPS reserve	<u>(3,340)</u>	<u>-</u>	<u>(403)</u>	<u>230</u>	<u>(3,513)</u>
Total restricted funds	3,308	5,099	(5,776)	230	2,861
Unrestricted funds					
General funds	<u>185</u>	<u>225</u>	<u>(297)</u>	<u>-</u>	<u>113</u>
Total funds	<u><u>3,493</u></u>	<u><u>5,324</u></u>	<u><u>(6,073)</u></u>	<u><u>230</u></u>	<u><u>2,974</u></u>

Brighter Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

14 Funds (continued)

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

	Balance at 1 September 2019 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2020 £ 000
Restricted general funds					
General Annual Grant (GAG)	54	4,525	(4,460)	-	119
Other DfE / ESFA grants	18	300	(300)	-	18
Other government grants	-	148	(148)	-	-
	<u>72</u>	<u>4,973</u>	<u>(4,908)</u>	<u>-</u>	<u>137</u>
Restricted fixed asset funds					
DfE group capital grants	1,088	17	-	-	1,105
Inherited funds	4,671	-	(245)	-	4,426
Other	286	613	-	-	899
Capital donations	81	-	-	-	81
	<u>6,126</u>	<u>630</u>	<u>(245)</u>	<u>-</u>	<u>6,511</u>
Restricted pension funds					
LGPS reserve	<u>(1,767)</u>	<u>-</u>	<u>(261)</u>	<u>(1,312)</u>	<u>(3,340)</u>
Total restricted funds	4,431	5,603	(5,414)	(1,312)	3,308
Unrestricted funds					
General funds	<u>203</u>	<u>235</u>	<u>(253)</u>	<u>-</u>	<u>185</u>
Total funds	<u><u>4,634</u></u>	<u><u>5,838</u></u>	<u><u>(5,667)</u></u>	<u><u>(1,312)</u></u>	<u><u>3,493</u></u>

Brighter Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

14 Funds (continued)

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

General Annual Grant - General Annual Grant must be used for the normal running of the academy. The funding agreement does not include a limit on the GAG available to carry forward.

Other DfE/ESFA grants includes pupil premium, rates relief and Year 7 catch up grant, teachers pay grant, free school meals supplementary grant and one vision funding.

Other government grants includes high needs funding, healthy lifestyles funding and looked after children funding.

Other restricted funds income comprises various restricted grants and earned income.

The costs and income associated with the defined benefit pension scheme have been recorded in the restricted fund. Staff costs are paid from this fund including contributions to the LGPS, hence the pension liability has been aligned with these funds.

DfE group capital grant - the income relates to capital funding which has been received from the ESFA for utilisation on building improvements and refurbishment.

The inherited funds reflect the fixed assets, the pension deficit, the surplus GAG and any surplus capital grant acquired on conversion.

Other restricted fixed assets funds represents capital expenditure financed from GAG.

Capital donations relates to ASD capital grants.

The restricted general funds are in deficit as a result of the deficit on the LGPS pension scheme alone. Unrestricted funds can be used for any purpose at the discretion of the academy.

Transfers between funds represent fixed assets purchased by GAG.

15 Analysis of net assets between funds

Fund balances at 31 August 2021 are represented by:

	Unrestricted funds	Restricted general funds	Restricted fixed asset funds	Total funds
	£ 000	£ 000	£ 000	£ 000
Tangible fixed assets	-	-	6,318	6,318
Current assets	113	634	(24)	723
Current liabilities	-	(395)	(25)	(420)
Creditors over 1 year	-	-	(134)	(134)
Pension scheme liability	-	(3,513)	-	(3,513)
Total net assets	113	(3,274)	6,135	2,974

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

Brighter Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

15 Analysis of net assets between funds (continued)

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	-	6,255	6,255
Current assets	185	540	436	1,161
Current liabilities	-	(403)	(31)	(434)
Creditors over 1 year	-	-	(149)	(149)
Pension scheme liability	-	(3,340)	-	(3,340)
Total net assets	<u>185</u>	<u>(3,203)</u>	<u>6,511</u>	<u>3,493</u>

16 Capital commitments

	2021 £ 000	2020 £ 000
Contracted for, but not provided in the financial statements	<u>71</u>	<u>-</u>

17 Long-term commitments, including operating leases

Operating leases

At 31 August 2021 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2021 £ 000	2020 £ 000
Amounts due within one year	10	6
Amounts due between one and five years	<u>2</u>	<u>2</u>
	<u>12</u>	<u>8</u>

18 Reconciliation of net (expenditure)/income to net cash inflow/(outflow) from operating activities

		2021 £ 000	2020 £ 000
Net (expenditure)/income		(749)	171
Depreciation	5	277	245
Capital grants from DfE and other capital income		257	(630)
Interest payable		(10)	-
Defined benefit pension scheme cost less contributions payable	24	348	230
Defined benefit pension scheme finance cost	24	55	31
Decrease/(increase) in debtors		573	(479)
(Decrease)/increase in creditors		<u>(7)</u>	<u>57</u>
Net cash provided by/(used in) Operating Activities		<u>744</u>	<u>(375)</u>

Brighter Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

19 Cash flows from financing activities

	2021 £ 000	2020 £ 000
Repayments of borrowing	(23)	(33)
Cash inflows from new borrowing	-	31
Net cash used in financing activities	<u>(23)</u>	<u>(2)</u>

20 Cash flows from investing activities

	2021 £ 000	2020 £ 000
Purchase of tangible fixed assets	(340)	(309)
Capital funding received from sponsors and others	<u>(246)</u>	<u>630</u>
Net cash (used in)/provided by investing activities	<u>(586)</u>	<u>321</u>

21 Analysis of cash and cash equivalents

	2021 £ 000	2020 £ 000
Cash at bank and in hand	<u>465</u>	<u>330</u>
Total cash and cash equivalents	<u>465</u>	<u>330</u>

22 Analysis of changes in net debt

	At 1 September 2020 £000	Cash flows £000	At 31 August 2021 £000
Cash	330	135	465
Loans falling due within one year	(31)	6	(25)
Loans falling due after more than one year	<u>(149)</u>	<u>15</u>	<u>(134)</u>
Total	<u>150</u>	<u>156</u>	<u>306</u>

23 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.

Brighter Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

24 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by South Tyneside Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

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

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the period amounted to £476,378 (2020: £448,750).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Brighter Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

24 Pension and similar obligations (continued)

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

Local government pension scheme

Tyne & Wear Pension Fund

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £263,000 (2020 - £286,000), of which employer's contributions totalled £197,000 (2020 - £223,000) and employees' contributions totalled £66,000 (2020 - £63,000). The agreed contribution rates for future years are 25.2 per cent for employers and 5.5 - 12.5 per cent for employees.

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

Principal actuarial assumptions

	2021	2020
	%	%
Rate of increase in salaries	4.10	3.80
Rate of increase for pensions in payment/inflation	2.60	2.30
Discount rate for scheme liabilities	1.70	1.70
Inflation assumptions (CPI)	<u>2.60</u>	<u>2.30</u>

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

	2021	2020
Retiring today		
Males retiring today	21.90	21.80
Females retiring today	25.10	25.00
Retiring in 20 years		
Males retiring in 20 years	23.60	23.50
Females retiring in 20 years	<u>26.90</u>	<u>26.80</u>

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

	2021	2020
	£ 000	£ 000
Equities	3,150	2,451
Corporate bonds	1,139	1,049
Government bonds	119	110
Property	453	422
Cash and other liquid assets	227	87
Other	<u>578</u>	<u>463</u>
Total market value of assets	<u>5,666</u>	<u>4,582</u>

The actual return on scheme assets was £890,000 (2020 - £26,000).

Brighter Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

24 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2021 £ 000	2020 £ 000
Current service cost	545	453
Interest income	(80)	(85)
Interest cost	135	116
	<u>600</u>	<u>484</u>
Total amount recognised in the SOFA	<u>600</u>	<u>484</u>

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

	2021 £ 000	2020 £ 000
At start of period	7,922	6,103
Current service cost	545	453
Interest cost	135	116
Employee contributions	66	63
Actuarial (gain)/loss	580	1,253
Benefits paid	(69)	(66)
	<u>9,179</u>	<u>7,922</u>
At 31 August	<u>9,179</u>	<u>7,922</u>

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

	2021 £ 000	2020 £ 000
At start of period	4,582	4,336
Interest income	80	85
Actuarial gain/(loss)	810	(59)
Employer contributions	197	223
Employee contributions	66	63
Benefits paid	(69)	(66)
	<u>5,666</u>	<u>4,582</u>
At 31 August	<u>5,666</u>	<u>4,582</u>

25 Related party transactions

Owing to the nature of the academy trust and the composition of the board of directors being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest.

There were no related party transactions in the year, other than certain directors' remuneration and expenses already disclosed in note 8.