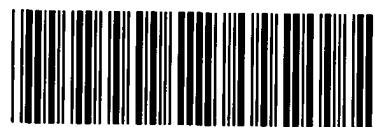


Company Registration No. 07344747 (England and Wales)

BRINE MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2020

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BRINE MULTI ACADEMY TRUST

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 12
Governance statement	13 - 17
Statement on regularity, propriety and compliance	18
Statement of trustees' responsibilities	19
Independent auditor's report on the accounts	20 - 22
Independent reporting accountant's report on regularity	23 - 24
Statement of financial activities including income and expenditure account	25 - 26
Balance sheet	27
Statement of cash flows	28
Notes to the accounts including accounting policies	29 - 46

BRINE MULTI ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Mrs C Farrall
Mrs J Furber
Mrs P Lockett (deceased 25/05/2020)
Mr A Robinson
Mr E Forshaw

Trustees

Mrs J Furber (Chair of Trustees)
Mr T Coxhill
Mr A Cliffe
Mrs J Disney
Mr B Radford
Mr A Robinson

Local Governing Board

Mrs S Turner (Chair of Governors)
Mrs A Ashley
Mr D Cole
Mr T Court
Mr P Groves
Mrs M Hennessy-Jones
Dr K Jones
Mr T Maclellan
Mr T Marsden
Mrs M Mulliner (resigned 26/02/2020)
Ms K Salisbury (resigned 01/10/2019)
Mrs J Thomas
Mr M Webb (appointed 07/02/2020)
Mrs D Varley

Senior management team

- CEO/Accounting Officer	Mr A Cliffe
- Business Manager/Finance Director	Mrs K Bradshaw
- Headteacher	Mr D Cole
- Deputy Headteacher	Mr P Whitehead

Company registration number

07344747 (England and Wales)

Registered office

Audlem Road
Nantwich
Cheshire
CW5 7DY

Independent auditor

Afford Bond Holdings Limited
31 Wellington Road
Nantwich
Cheshire
CW5 7ED

BRINE MULTI ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Lloyds TSB Bank PLC
PO Box 1000
Andover
BX1 1LT

Solicitors

Stone King Solicitors
16 St John's Lane
London
EC1M 4BS

Browne Jacobson
Mowbray House
Castle Meadow Road
Nottingham
NG2 1BJ

BRINE MULTI ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

The trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Multi Academy Trust operates as one academy (Brine Leas School) for pupils aged 11-19 serving a semi-rural catchment area in Nantwich and the surrounding area. Effectively this is the catchment areas of the school's partner primary schools with exception of Nantwich Academy whose catchment is shared with another local high school. Pupils are admitted in accordance with the latest admission policy which is on the website. They are admitted according to criteria and there is no selection process. Last year 25 students have been admitted on distance criteria and 18 in year transfers on distance criteria.

Structure, governance and management

Constitution

The Academy is a company limited by guarantee, which was incorporated on 12th August 2010, and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy.

All Trustees of Brine Multi Academy Trust are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Brine Multi Academy Trust.

Details of the trustees who served throughout the period except as noted 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.

Trustees' indemnities

The Trustees have not provided any third party indemnities.

Method of recruitment and appointment or election of trustees

Trustees are appointed by the MAT members in accordance with both skills and experience they can offer to ensure the Trust has a broad base of experience. See relevant articles for more information.

Policies and procedures adopted for the induction and training of trustees

The induction and training of trustees will be carried out by the CEO in conjunction with the Chair of the Trust and will cover roles and responsibilities of the trustees, the organisation and workings of the board of trustees. The board of trustees subscribes to The Key for Governors and the NGA. Trustees and Governors also attend joint training with the Chimney House Group. Whole board of trustees training at the school is arranged for specific areas.

Related parties and other connected charities and organisations

Brine Leas School is part of the Nantwich Education Partnership which helps to ensure smooth transition from primary schools to secondary school and allows collaborative working. The school is part of the Chimney House Alliance and the Chimney House Training School. This is a group of secondary schools largely from South Cheshire. The Training School has a focus on ITT as well as ongoing CPD and school to school support. The collaboration enables the Academy to further its objects.

BRINE MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Organisational structure

The Trustees are responsible for the approval of accounts. The Board of Trustees is responsible for the strategic direction of the Academy. Trustees have responsibility for creating, or delegating the creation, of Model Policies in all statutory areas. The audit committee has met on a regular basis during this academic year. Over the course of the next 12 months it is envisaged that the Trust will grow and structures will be modified accordingly. The Organisational Group, consisting of the Headteacher and Chair of Governors, meets to consider agenda items and issues to raise with the Trust Board.

The Trust has devolved responsibility for the day to day management of the Academy to the Headteacher and the Senior Leadership Team. The CEO is the Accounting Officer. Policy issues are addressed by trustees with specific responsibilities. Currently, given there is as yet only one school in the MAT, the LGB of Brine Leas has three sub-committees which meet at least once a term. The sub-committees are a) Business; b) Students and c) Assessment, Recording and Reporting (Standards). The Business Sub-committee is attended by at least one Trustee, normally the CEO or Chair of the Trust. The sub-committees are chaired by a Governor and have clear Terms of Reference and delegated powers which are reviewed annually. Decisions made by these committees are passed to the full board of trustees for ratification and approval.

Arrangements for setting pay and remuneration of key management personnel

Following consultation with staff, Trustees together with the LGB, approve the Leadership Structure and set pay scales, which are reviewed against the market and any changes in role. Targets are set for the Headteacher by the HTPM Panel comprising of members of the LGB and Trustees with interim and annual reviews of progress towards targets. Pay progression is awarded when targets are successfully met. An external School Improvement Partner has been employed to quality assure this process. Targets are also set for all members of the Leadership Team and these follow the Headteachers Performance Management Standards and the teaching PM cycle. Recommendations are made to the LGB by the Head. Salary decisions are made in part 2 of the GB meetings.

Trade Union Facility Time (see the Trade Union (Facility Time Publication Requirements) Regulations 2017)

Under the provisions of the Trade Union (Facility Time Publications Requirements) Regulations 2017, where an Academy Trust has more than 49 full time equivalent employees through any seven months within the reporting period, it must include information included in Schedule 2 of the regulations. The information to be published consists of four tables covering:

Relevant Union Officials	
Number of employees who were related union officials during the relevant period	0
Employee numbers	165
Full time equivalent employees	129.39

Percentage of time spent on facility time	Number of employees
0%	165
1%-50%	0
51%-99%	0
100%	0

Percentage of pay bill spent on facility time	
Provide the total cost of facility time	0
Provide the total pay bill	0
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time divided by total pay bill) x 100	0
Paid trade union activities	
Time spent on trade union activities as a percentage of total paid facility hours	0

BRINE MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities

Objects and aims

The Articles of Association set out the full aims and objectives of the Academy however the following extract is a summary:

To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum ("the Academy"). Schools within the Trust, providing that standards are high and they are financially sound are expected to have individual characteristics; in the case of Brine Leas these are as follows;

The School's mission statement is "Believe, Learn, Succeed". As such we follow the principles set out below:

We will strive to be a happy, hard working, dynamic and caring learning centre that celebrates the diversity of its community – a community of successful, self believing, inspired, independent learners.

As well as leaving Brine Leas academically and vocationally well-qualified, students will aspire to be confident global citizens, who will care about the world in which they live and the people who surround them.

We are committed to the development of our staff to ensure that we remain at the forefront of educational thinking.

Through students' own self belief we will activate their creativity, enterprise and problem-solving skills, and develop a shared sense of ownership; responsibility, respect, pride and understanding of our school – its buildings, its ethos, its values, its aspirations and its vision.

BRINE MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Objectives, strategies and activities

Brine Leas School was inspected in April 2017 and received a report that was good with outstanding features. The Sixth Form was rated as Outstanding. BL6 has been promoted as the destination of choice and its visions and values were reviewed. Planning for curriculum and assessment change has been a high priority.

A general maintenance programme has been linked to an audit of need and priority given to improving key areas of the school and especially the external environment.

Brine Leas was successful with two Condition Improvement Fund bids to replace the mobile classrooms with a modular building and to continue with the roofing replacement programme. Demolition took place during the summer closure period and the two projects will commence in September 2020.

At the same time the House system at Brine Leas with its emphasis on participation and positive aspects of student life has been restructured and all students, prior to the COVID pandemic, continued to take part in House activities.

There is a huge emphasis on improving teaching and learning as well as providing challenge to all students.

The continued development of the Management Information system is allowing greater participation for families in the education of their children as well as improving tracking and monitoring. Out of necessity the pace of change, and improvements had to quicken, due to COVID, and planned changes for the next 18 months became condensed into the Spring and Summer term. These changes will be consolidated over the Autumn term.

Brine Leas has been in discussion with the Local Authority concerning future demand for places and possible school expansion. A further feasibility study will be undertaken to consider the future curriculum and site needs for the next ten years and for the school to expand to provide places for 240 in each Year group. A broad and balanced curriculum offering challenge to students continues to be offered although COVID has initially presented some obstacles to the normal curriculum experience with particular regards to practical lessons. Work was completed to extend the D block within this accounting period and has provided six additional English classrooms through Cheshire East Basic Needs Funding.

As part of a Trust activity, Brine Leas is currently supporting five primaries with their IT provision, Pear Tree, Stapeley Broad Lane, Sound, Wrenbury, Weaver and Audlem with half a day's support each. Brine Leas has developed a purchasing and licensing solution for the schools that are supported, this has become a constant income stream. These schools have also taken an Internet service, filtering and firewall package through Brine Leas School. It is anticipated that during next year they will start to use the Brine Leas' data centre and our connectivity solutions, which is producing cost savings for all parties.

The Trust is committed to providing a broad and balanced curriculum within budgeting constraints.

The Business Case. Following a SMRA visit in 2019 the MAT has made a number of changes. An already planned business case looked at staffing costs. There were no compulsory redundancies although there were some staffing changes with some structures altered. A balanced budget has been set for the next **three years**. This is despite the pressure on our funding stream, especially during 2019-20. A Business Case was completed during 19-20.

BRINE MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Public benefit

The trustees of the Academy have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission. The public benefit is in the provision of a quality secondary education for the pupils of Nantwich and the surrounding area.

The school normally opens many of its facilities to the local community. There was a growing programme of evening classes running three nights each week and significant use of our sports facilities. The school has a philosophy of encouraging new ventures by looking at imaginative funding routes such as subsidising room or equipment hire etc. However this has not been possible since March due to the COVID pandemic. In turn this has adversely affected income as well as being detrimental to the local community.

Strategic report

Achievements and performance

GCSE EXAMINATION RESULTS 2020

HEADLINES IN SUMMARY

The DfE is not reporting on examination results this year as the students did not actually sit them. The results achieved by students were based on Centre assessed grades (CAGs). In line with the DfE's decision the Trust has chosen not to publish any further detail on grades achieved.

BRINE MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Below are the provisional destinations for school leavers in July 2020; these are based on what route students planned to take:-

Post-16 route Year 11 students	
114	Brine Leas Sixth Form
112	Post-16 courses at an alternative school or college
2	Apprenticeships and employment with training (inc. Armed Forces)
11	Other

Post KS5 route for Year 13 students	
90	Higher Education
61	Employment / Apprenticeship (inc. Armed Forces)
3	Continued in other education
3	Other (inc gap year)

Key performance indicators

The Trustees believe that Brine Leas School would have performed very well in final examinations this year. Centre Assessed Grades were in line with our high expectations.

The school is fully and appropriately staffed and curriculum planning is preparing the school for any future changes that may be required. We have carried out two consultations to date on curriculum and staffing matters, looking to make considerable savings in our spending, and have made agreed changes to staff working conditions and number, as well as adjusted the curriculum in some areas. Changes have been made to make savings whilst keeping the curriculum as broad and balanced as we can manage. The number of groups have been reduced and some subjects in BL6 are taught in combined year groups. By the summer of 2021 it is hoped that the curriculum will be as planned pre pandemic.

The destinations of students are appropriate and examination results remain good.

Attendance data for this period cannot be reported on due to the national lockdown during the COVID pandemic.

Brine Leas is oversubscribed in the main school, and Year 12 and Year 13, are over subscribed and over capacity.

Curriculum Developments

Brine Leas School continues to offer a wide range of courses at all key stages linked to the ability and aptitude of our cohorts. For example at Key Stage 3 it is possible to study Latin with early entry in certain subjects also featuring at Key Stage 4. At Key Stage 4 the English Baccalaureate has not been made compulsory however many students have chosen to take option subjects which will allow them to gain this qualification. Modern Languages remains a compulsory subject at Key Stage 4. Work experience is still enjoyed by all Key Stage 4 students for one week. At Key Stage 5 the curriculum offer has been specifically linked to demand and in some subjects additional groups had to be put on to cater for demand. The Prevent Agenda is being addressed through the normal curriculum as well as PHCSE and assemblies.

BRINE MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the next financial year. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies note of the financial statements. The SRMA dashboard document was reviewed during this period and the report has been shared with our accountants, recommendations have been reviewed and changes made to our three year budget. An additional visit is planned for the Autumn term.

Financial review

The trustees consider that the level of surplus maintained in the period and the principal risks and uncertainties that are present have been managed satisfactorily. The results for the year are set out in the statement of financial activities. The revenue surplus at the year end was £162,219.

The balance sheet shows that the academy has a low level of reserves this year, excluding the pension reserve the surplus reserves total £29,959,304. The trustees continue to closely monitor expenditure and follow best value principles whilst seeking successful impact on student outcomes.

The academy's principle source of funding is through the ESFA in the form of a General Annual Grant and Post 16 allocation. Additional funding is received for SEN from the Local Authority and from school generated activities such as lettings and community education

Reserves policy

It is the policy of trustees to spend as much as possible of the budget on the current cohort of students whilst at the same time having sensible and appropriate reserves. Within current reserves forecasts no account has been taken of opportunities to save money, with additional schools joining the Trust, through economies of scale.

The reserves are held to allow the academy to function on both a day to day and long term basis. The trustees consider that the level of reserves at present are low but rising; however, the funding is expected to increase and the student numbers are stable and set to increase which will allow a more satisfactory level of reserves to be kept in future.

Over the next two years an increase in funding is forecast due to the implementation of the National Funding Formula; in addition numbers on roll should continue to be at least stable and likely to rise. The teaching staff will become more expensive through incremental drift as well as the cost of funding the recommended pay award in a school with a lot of able, young staff. The reserves held will be required to maintain a balanced budget up to 2020-21. Over the next three years it is expected that the overall carry forward will be positive, although currently it is predicted that 2022-23 has a shortfall that will be made up out of reserves. This does assume an increase in spend on educational resources and there is opportunity to make further cost savings in this year if required.

The level of each reserve is detailed in note 18 'Funds'. In keeping with a dynamic environment the reserves policy will be reviewed as needed, to cope with changes within the academy. However, as a minimum the reserves and investment policy will be reviewed on an annual basis.

Investment policy

The Trustees authorise The Finance Director to invest funds surplus to cash flow within our bankers Lloyds TSB Long Term Deposit Scheme or a 32 day deposit account, these are no risk, high interest deposit investment strategies that do not put the Academies investment at risk through the Stock Market. As at the 31st August 2020, £300,000 was on long term deposit and £3,087 was earned in interest during this accounting period.

BRINE MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Principal risks and uncertainties

An assessment of the risks facing the Academy is carried out regularly and procedures have been established to manage the risks. The Risk Management documents are reviewed annually by the Leadership Team. The Academy subscribes to the Cheshire East Environmental Health Annual Audit and other services such as EVOLVE and PRIME to record accidents and check Educational Visits Risk Assessments.

The internal control systems and the exposure to risks are considered on a regular basis by the Leadership Team. The school carries out risk assessments covering all aspects of the operation of the school and of the physical environment. An independent whole school fire risk assessment was carried out and reviewed in 2019 and will continue to be reviewed regularly. Insurance requirements are reviewed annually and regulations such as sprinkler maintenance and engineering equipment surveys, PAT testing and 5 year electrical testing etc. are carried out routinely. Assessment of external risk factors (e.g. changes in Government or Local Authority legislation) which may have a significant bearing on the future of the school are incorporated when updating the school Self Evaluation Form; which in turn informs school development planning. A Risk Register will be reviewed by the Leadership Team and the Governing Body during 2020.

The Trust believes that future funding continues to be low until financial year end 2020 and is a major risk to the school. In September 2020 there is a planned increase by central government in funding all secondary academies at a minimum AWPU of £5000. This is welcomed by the Trust and will reduce risk. However, this increase in funding will take time to have an impact and a cautious approach is still required. The financial impact of COVID is being monitored through monthly account reporting.

BRINE MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Financial and risk management objectives and policies

The trustees regularly review the risks that the Academy faces through our policies and internal procedures such as Independent Fire Risk Assessment, Business Continuity Plan, annual health and safety audit by the Facilities Manager and our Scheme of Financial Delegation and Best Value Principles and Value for Money Statement and Reserves and Investment Policy.

Our Critical Incident Plan and policy is regularly updated and various scenarios practised at Leadership meetings.

The major risk facing the academy is the defined benefit pension scheme liability and although it is not considered material in the context of the accounts, trustees monitor the deficit annually. For additional detail refer to note 20 'Pension and Similar Obligations'. The pension liability for the Local Government Pension Scheme has increased significantly within the accounting period. This will continue to be reviewed regularly and consideration will be given to increasing our contribution rates taking guidance from the Fund Managers at our annual update meeting.

The Trustees and Leadership Team are not complacent about the current position, marketing strategies are considered and the improvement of other local schools' academic performance are carefully monitored, encouraged and welcomed.

The Trustees aim to increase reserve levels and expenditure has been increased in accordance to the SRMA visit curriculum offers are being assess for future years. In addition, whilst not yet factored into forecasts it is envisaged that future financial savings can be made when other schools join the MAT. Opportunities to raise money through fund raising and charity grants are limited due to Covid restrictions. The success of the CIF bids will significantly reduce the amount of budget spent on general maintenance and energy costs will reduce future budgets.

The Academy remains focused solely on its principal activity of secondary level education to children aged 11 to 19. Future performance is dependent upon adapting to a rapidly changing educational environment. Trustees believe that the numbers of children available in the local area are more than sufficient to allow an academy of this size to continue to operate successfully. Growth in student numbers locally will likely lead to the need for another high school in the Nantwich area or considerable expansion of local schools. Families continue to move into our catchment area to guarantee a place at the school, this is largely due to the schools' academic success and rich diet of extra-curricular activities. This is reviewed regularly.

With these risks and uncertainties in mind, we are aware that any plans for the future development of the academy may be subject to unforeseen future events outside of our control.

BRINE MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Plans for future periods

To ensure that statutory duties under COVID legislation are fully met. In particular that online learning is fully ready and fit for purpose to meet future partial or full closures.

To improve the current standard of academic performance as measured by external public examination, Attainment 8 and particularly Progress 8. To further develop the collaborative links with other local schools to benefit educational outcomes.

To develop staff to deliver more effective lessons to increase the rate of progress.

To maintain a school that is popular oversubscribed (this also applies to BL6)

To further challenge all students.

MAT growth will enhance the collaboration with our feeder primary schools. It will require development to our finance and HR departments and there will be significant changes to the Governing Body's constitution and to the role of the Clerk.

To continue to offer IT services to primary schools.

As previously mentioned The Local authority has postponed Phase 2 of the school's expansion through the growth fund. The trust intends to pursue this during the next twelve months.

Auditor

In so far as the trustees are aware:

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

A resolution proposing that Afford Bond Holdings Limited be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 17 December 2020 and signed on its behalf by:



Mrs J Furber
Chair of Trustees

BRINE MULTI ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2020

Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to the CEO, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Brine Multi Academy Trust and the Secretary of State for Education. The accounting officer is also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
Mrs J Furber (Chair of Trustees)	6	6
Mr T Coxhill	5	6
Mr A Cliffe	6	6
Mrs J Disney	4	6
Mr B Radford	3	6
Mr A Robinson	5	6

The Business committee is a sub-committee of the MAT. Its purpose is to monitor the academies finances and also includes the remit of an audit committee:

Attendance at meetings in the year was as follows:

Governors	Meetings attended	Out of possible
Mr D Cole	4	4
Mr T Court	2	4
Mr P Groves	4	4
Mr T Maclellan	4	4
Mrs M Mulliner	1	2
Mrs S Turner (Chair of Governors)	2	4

Governance Review

A skills audit of Trustees was completed during the summer term and relevant training is being arranged to enhance Trustees knowledge. The current number of Trustees is seven, with two vacancies left for the likely addition of a Faith school to the Trust, and we will use that opportunity to add to the experience and knowledge of the Trust. We have commenced a programme of self-review and development through regular, planned discussions of the skills and effective behaviours required for the good organisation of the Trust. Our first session was spent on reviewing the Vision and aims of the Trust. The Trustees have taken account of the guidance contained in the DFE Governance Handbook and have spent some time working through the recommendations and requirements contained within the Competency Framework.

BRINE MULTI ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Review of value for money

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

The accounting officer delegates the responsibility to consider how the academy trust's use of its resources has provided good value for money during each academic year to the Headteacher, who reports to the board of trustees 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 through the best value principles set out below:

Cost should never be the sole factor by which a decision is made regarding what goods or services to order, e.g. lower maintenance costs and a longer life span for a product can mean that money is saved in the medium to long term. After sales service and supplier reliability are benefits that are significant factors to consider over cost. To establish whether a price is competitive quotes are obtained in line with our Scheme of Delegation limits.

When looking at the provision of goods and services to the school, the Academy Trust and in turn Governing Body follows the principles of the 4 C's.

- **Consult** students, staff and the wider community on the direction of the school and what resources are required to deliver the vision. This is done through surveys and meetings.
- **Compare** performance with that of others providing a similar service. Effectively this means benchmarking data and this is provided to the Governors annually. We check trade journals, catalogues and magazines; we consult LA supplies catalogues and contact other schools. The Chimney House Group share contacts and procurement methods to obtain best value by group purchasing. We fully utilise the Internet and undertake extensive research. We consult DFE benchmarking website and also commissioned (renewed in 2014) a commercial benchmarking report. We strive to ensure that offers of discounts are taken up if appropriate.
- **Challenge** why and how a service is being provided. This is done on different levels. Firstly when writing the School Development Plan, secondly when planning the budget to deliver the School Development Plan and thirdly by Governors when setting and approving the budget. We also regularly see different providers of services to ensure that we are following the best advice and test against the current market.
- **Compete** as a means of securing efficient and effective service. We seek several quotations or formal tenders. (see section on financial limits within the Scheme of Financial Delegation Policy). We often collate orders from several departments in order to procure discounts. Different payment methods are used in order to obtain the best terms and conditions available.

BRINE MULTI ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Procurement will also take into consideration the use of local suppliers and tradesmen wherever possible providing it does not compromise the value or quality of the product or service.

These principles will be applied by the Governors and School Managers when making decisions in relation to:

- The allocation of resources in order to promote the aims and principles of the school.
- The targeting of resources in order to improve standards and the quality of provision.
- The use of resources in order to support the educational needs of all our students.

This will be achieved by ensuring the following action is taken:

- Comparisons to be made against other similar schools by using data provided by the LA/Government e.g. benchmarking and through networking with local colleagues.
- Proposals are challenged to ensure effectiveness and efficiency e.g. Contract review and negotiation.
- Suppliers are to compete on grounds of cost, quality and suitability of product or service, also considering after sales service or support e.g. ICT services.

Governors and School Managers will deploy staff to provide best value in terms of quality of teaching and learning, pupil/teacher ratio and curriculum management.(This will vary from year to year based on demand for courses and the aptitude of a particular Year group)

The quality of curriculum provision and quality of teaching will be reviewed regularly.

The quality of student's learning, which enables them to achieve the national expected progress, will be reviewed.

The school environment and ethos will be reviewed in order to provide a supportive environment conducive to learning and recreation.

The allocation and use of teaching, support and communal areas will be considered in order to provide the best environment for teaching and learning.

Procedures are in place to access the need for resources. Goods and services will be obtained which provide the 'best value' in terms of suitability, efficiency and time.

The quality of the school environment and equipment will be reviewed in accordance with Health and Safety by carrying out risk assessments in order to provide a safe working environment for students, staff and visitors.

The pursuit of minor improvements is not considered to be cost effective if the administration involves substantial time on research.

Monitoring and evaluation of the above principles and practices will be achieved by:

- In house monitoring of classroom practice and work samples.
- Target setting meetings
- Annual performance management
- Benchmarking data
- Annual budget planning
- Monthly financial reporting and reviewing
- Analysis of student's performance data
- Use of external reports ongoing SIP visits
- Analysis of ESFA and LA financial data
- Ofsted Inspection reports
- External Awards

Future developments and best value will be achieved by:

- Producing a costed three year School Development Plan incorporating the annual SDP.
- Staffing reviews undertaken to match the three-year plan.
- Matching buildings development to the three-year plan.
- Reviewing this 'Best Value' statement on an annual basis.

BRINE MULTI ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Brine Multi Academy Trust for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The board of trustees 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 of trustees 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 period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

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 trustees;
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks co-ordinated by the Audit and Risk Committee.

The board of trustees has considered the need for a specific internal audit function and, in line with the 2019 Financial Handbook an Audit Committee has been established.

- The Risk and Audit Committee was to carry out a comprehensive internal audit which was halted by the COVID pandemic and was therefore left incomplete. This process is to start again during 2020-21. Having looked at the options available for 2020 to 21 it is likely an external company will be employed to carry out internal scrutiny.

The accountant's role includes giving advice on financial matters and producing the statutory accounts.

On a regular basis, the auditor reports to the board of trustees through the business committee as well as the Audit and Risk Committee on the operation of the systems of control and on the discharge of the financial responsibilities of the board of trustees. No issues have arisen during the year.

BRINE MULTI ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Review of effectiveness

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

- the work of the Audit and Risk Committee;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Business committee and Audit and Risk Committee and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 17 December 2020 and signed on its behalf by:



Mrs J Furber
Chair of Trustees

BRINE MULTI ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2020

As accounting officer of Brine Multi Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, 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's board of trustees 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 board of trustees and ESFA.

A.M. Cliffe

Mr A Cliffe
Accounting Officer

17 December 2020

BRINE MULTI ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2020

The trustees (who are also the directors of Brine Multi Academy Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2019 to 2020 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare accounts for each financial year. Under company law, the trustees must not approve the accounts 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 accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring that grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 17 December 2020 and signed on its behalf by:



Mrs J Furber
Chair of Trustees

BRINE MULTI ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRINE MULTI ACADEMY TRUST

FOR THE YEAR ENDED 31 AUGUST 2020

Opinion

We have audited the accounts of Brine Multi Academy Trust for the year ended 31 August 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 2019 to 2020.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the accounts' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the accounts 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

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

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

Other information

The trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

BRINE MULTI ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRINE MULTI ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

BRINE MULTI ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRINE MULTI ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Use of our report

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



Paul Edwards FCCA CTA (Senior Statutory Auditor)
for and on behalf of Afford Bond Holdings Limited

17 December 2020

Chartered Accountants
Statutory Auditor

31 Wellington Road
Nantwich
Cheshire
CW5 7ED

BRINE MULTI ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2020

In accordance with the terms of our engagement letter dated 16 November 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Brine Multi Academy Trust during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Brine Multi Academy Trust's funding agreement with the Secretary of State for Education dated 25 August 2010 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Review of sample expenditure to ensure appropriate use of academy funds
- Review of controls and procedures in place to ensure sufficient and working effectively
- Review of journal entries to ensure appropriate
- Review of terms in relation to revenue and capital funds received to ensure used as intended and no breach of terms

BRINE MULTI ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BRINE MULTI ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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 period 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Afford Bond

Reporting Accountant

Afford Bond Holdings Limited

Dated: 17 December 2020

BRINE MULTI ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted funds £	Restricted funds: General £ Fixed asset £	Total 2020 £	Total 2019 £
Income and endowments from:					
Donations and capital grants	3	7,482	-	82,665	90,147
Charitable activities:					
- Funding for educational operations	4	-	7,307,566	-	7,307,566
Other trading activities	5	398,249	-	-	398,249
Investments	6	3,087	-	-	3,087
Total		408,818	7,307,566	82,665	7,799,049
Expenditure on:					
Raising funds	7	-	2,897	-	2,897
Charitable activities:					
- Educational operations	8	123,142	7,825,293	173,219	8,121,654
Total	7	123,142	7,828,190	173,219	8,124,551
Net income/(expenditure)		285,676	(520,624)	(90,554)	(325,502)
Transfers between funds	18	(212,651)	212,624	27	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	20	-	(247,000)	-	(247,000)
Net movement in funds		73,025	(555,000)	(90,527)	(572,502)
Reconciliation of funds					
Total funds brought forward		89,194	(2,009,000)	29,887,612	27,967,806
Total funds carried forward		162,219	(2,564,000)	29,797,085	27,395,304

BRINE MULTI ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

Comparative year information Year ended 31 August 2019	Notes	Unrestricted funds £	Restricted funds: General	Fixed asset £	Total 2019 £
Income and endowments from:					
Donations and capital grants	3	22,811	-	1,811,823	1,834,634
Charitable activities:					
- Funding for educational operations	4	-	6,878,771	-	6,878,771
Other trading activities	5	467,832	-	-	467,832
Investments	6	1,252	-	-	1,252
Total		491,895	6,878,771	1,811,823	9,182,489
Expenditure on:					
Raising funds	7	-	5,541	-	5,541
Charitable activities:					
- Educational operations	8	110,097	7,456,006	196,350	7,762,453
Total	7	110,097	7,461,547	196,350	7,767,994
Net income/(expenditure)		381,798	(582,776)	1,615,473	1,414,495
Transfers between funds	18	(350,496)	420,776	(70,280)	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	20	-	(768,000)	-	(768,000)
Net movement in funds		31,302	(930,000)	1,545,193	646,495
Reconciliation of funds					
Total funds brought forward		57,892	(1,079,000)	28,342,419	27,321,311
Total funds carried forward		89,194	(2,009,000)	29,887,612	27,967,806

BRINE MULTI ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	12	29,841,584		29,887,612	
Current assets					
Stocks	13	5,200		2,908	
Debtors	14	194,955		473,522	
Cash at bank and in hand		682,669		343,912	
		882,824		820,342	
Current liabilities					
Creditors: amounts falling due within one year	15	(726,962)		(731,148)	
Net current assets		155,862		89,194	
Total assets less current liabilities		29,997,446		29,976,806	
Creditors: amounts falling due after more than one year	16	(38,142)		-	
Net assets before defined benefit pension scheme liability		29,959,304		29,976,806	
Defined benefit pension scheme liability	20	(2,564,000)		(2,009,000)	
Total net assets		27,395,304		27,967,806	
Funds of the academy trust:					
Restricted funds	18				
- Fixed asset funds		29,797,085		29,887,612	
- Pension reserve		(2,564,000)		(2,009,000)	
Total restricted funds		27,233,085		27,878,612	
Unrestricted income funds	18	162,219		89,194	
Total funds		27,395,304		27,967,806	

The accounts on pages 25 to 46 were approved by the trustees and authorised for issue on 17 December 2020 and are signed on their behalf by:

Jane Furber

Mrs J Furber
Chair of Trustees

Company Number 07344747

BRINE MULTI ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Net cash provided by/(used in) operating activities	21		335,697		(130,298)
Cash flows from investing activities					
Dividends, interest and rents from investments		3,087		1,252	
Capital grants from DfE Group		57,012		723,063	
Capital funding received from sponsors and others		25,653		1,088,760	
Purchase of tangible fixed assets		(127,191)		(2,221,327)	
Net cash used in investing activities			(41,439)		(408,252)
Cash flows from financing activities					
New other loan		50,856		-	
Repayment of other loan		(6,357)		-	
Net cash provided by/(used in) financing activities			44,499		-
Net increase/(decrease) in cash and cash equivalents in the reporting period			338,757		(538,550)
Cash and cash equivalents at beginning of the year			343,912		882,462
Cash and cash equivalents at end of the year			682,669		343,912

BRINE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

Brine Multi Academy Trust is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

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

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Brine Multi Academy Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts 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 accounts.

1.3 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 period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

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.

BRINE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

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.

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 accounts until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is 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.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are 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.

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.

BRINE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

1.5 Tangible fixed assets and depreciation

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. 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 such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Land and buildings	0 to 20 year straight line basis
Computer equipment	33.3% per annum straight line basis
Fixtures, fittings & equipment	15% per annum reducing balance

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

1.6 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.

1.7 Leased assets

Rentals payable under operating leases are charged against income on a straight-line basis over the period of the lease.

1.8 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. Prepayments are not financial instruments.

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

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. 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.

BRINE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

1.9 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provisions are made for obsolete and slow moving stock.

1.10 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 chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.11 Pensions 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 and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated 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 based on quadrennial valuations using a prospective unit credit method. The 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 are recognised in the period to which they relate.

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

1.12 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency/Department for Education.

BRINE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

2 Critical accounting estimates and areas of judgement

Accounting 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.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

The trustees do not believe there to be any areas of judgement critical to the academy trust's financial statements.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Capital grants	-	78,665	78,665	1,811,823
Other donations	7,482	4,000	11,482	22,811
	<u>7,482</u>	<u>82,665</u>	<u>90,147</u>	<u>1,834,634</u>

The income from donations and capital grants was £90,147 (2019: £1,834,634) of which £7,482 was unrestricted (2019: £22,811), £nil was restricted (2019: £nil) and £82,665 was restricted fixed assets (2019: £1,811,823).

BRINE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
DfE / ESFA grants				
General annual grant (GAG)	-	6,899,903	6,899,903	6,505,049
Other DfE group grants	-	181,061	181,061	174,315
	-	7,080,964	7,080,964	6,679,364
Other government grants				
Local authority grants	-	226,602	226,602	199,407
Total funding	-	7,307,566	7,307,566	6,878,771

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Hire of facilities	20,796	-	20,796	42,878
Catering income	47,587	-	47,587	82,240
Recharged expense income	25,468	-	25,468	36,229
Parental contributions	118,734	-	118,734	103,991
Other income	185,664	-	185,664	202,494
	398,249	-	398,249	467,832

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Short term deposits	3,087	-	3,087	1,252

Investment income was £3,087 (2019: £1,252) of which £3,087 was unrestricted (2019: £1,252).

BRINE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

7 Expenditure

	Staff costs £	Non-pay expenditure Premises £	Other £	Total 2020 £	Total 2019 £
Expenditure on raising funds					
- Direct costs	-	-	2,897	2,897	5,541
Academy's educational operations					
- Direct costs	5,359,485	-	678,032	6,037,517	5,765,581
- Allocated support costs	1,135,199	714,607	234,331	2,084,137	1,996,872
	<u>6,494,684</u>	<u>714,607</u>	<u>915,260</u>	<u>8,124,551</u>	<u>7,767,994</u>

Expenditure for the year was £8,124,551 (2019 : £7,767,994) of which £6,494,684 were staff costs (2019 : £6,081,479), £714,607 were premises and equipment costs (2019 : £824,241) and £915,260 were other costs (2019 : £862,274).

Net income/(expenditure) for the year includes:	2020 £	2019 £
Fees payable to auditor for:		
- Audit	6,100	6,000
- Other services	1,635	1,480
Operating lease rentals	14,280	14,155
Depreciation of tangible fixed assets	173,219	196,350
Net interest on defined benefit pension liability	41,000	32,000
	<u>236,234</u>	<u>264,985</u>

8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Direct costs				
Educational operations	123,142	5,914,375	6,037,517	5,765,581
Support costs				
Educational operations	-	2,084,137	2,084,137	1,996,872
	<u>123,142</u>	<u>7,998,512</u>	<u>8,121,654</u>	<u>7,762,453</u>

	2020 £	2019 £
Analysis of support costs		
Support staff costs	1,144,679	983,907
Depreciation	173,219	196,350
Technology costs	9,412	17,087
Premises costs	541,388	627,891
Other support costs	174,563	127,377
Governance costs	40,876	44,260
	<u>2,084,137</u>	<u>1,996,872</u>

BRINE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

9 Staff

Staff costs

Staff costs during the year were:

	2020 £	2019 £
Wages and salaries	4,605,013	4,465,668
Social security costs	446,299	427,531
Pension costs	1,310,999	934,982
Staff costs - employees	6,362,311	5,828,181
Agency staff costs	132,373	253,298
Staff development and other staff costs	6,494,684 14,316	6,081,479 20,549
Total staff expenditure	6,509,000	6,102,028

Staff numbers

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

	2020 Number	2019 Number
Teachers	82	84
Administration and support	85	74
Management	9	9
	176	167

Higher paid staff

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

	2020 Number	2019 Number
£60,001-£70,000	1	-
£70,001-£80,000	-	1
£80,001-£90,000	1	-

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £276,518 (2019: £228,163)

BRINE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

10 Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees.

The value of trustees' remuneration and other benefits was as follows:

Mr A Cliffe (CEO and trustee):

Remuneration: £20,000 - £25,000 (2019: £55,000 - £60,000)

Employer pension contributions: £0 - £5,000 (2019: £5,000 - £10,000)

11 Insurance for trustees and officers

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 trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

12 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 September 2019	29,145,950	443,245	3,222,622	32,811,817
Additions	92,604	19,647	14,940	127,191
At 31 August 2020	29,238,554	462,892	3,237,562	32,939,008
Depreciation				
At 1 September 2019	77,116	423,820	2,423,269	2,924,205
Charge for the year	32,808	19,183	121,228	173,219
At 31 August 2020	109,924	443,003	2,544,497	3,097,424
Net book value				
At 31 August 2020	29,128,630	19,889	693,065	29,841,584
At 31 August 2019	29,068,834	19,425	799,353	29,887,612

Transactions relating to land and buildings during the year include:

- £13,762 for the D Block expansion project,
- £34,871 for the Roof refurbishment project,
- £42,570 for the Block replacement works.

BRINE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

12 Tangible fixed assets

(Continued)

On 2 September 2010 the Academy acquired the freehold land and school buildings from the Governing Body of the former Foundation School (the Academy's predecessor entity).

Freehold land and buildings were included within the financial statements at a valuation of £24,100,000. This was based upon the rebuilding cost as valued by an external surveyor for the purposes of the Academy's insurance policy as at 31 August 2011.

Other tangible fixed assets acquired upon conversion were included within the financial statements at a valuation of £3,000,000. This was based upon the valuation given by an external surveyor for the purposes of the Academy's insurance policy as at 31 August 2011.

13 Stocks

	2020 £	2019 £
School uniform	5,200	2,908

14 Debtors

	2020 £	2019 £
Trade debtors	44,315	154,718
VAT recoverable	36,238	126,191
Prepayments and accrued income	114,402	192,613
	194,955	473,522

15 Creditors: amounts falling due within one year

	2020 £	2019 £
Other loans	6,357	-
Trade creditors	228,077	415,893
Other taxation and social security	105,658	109,019
Other creditors	115,258	99,024
Accruals and deferred income	271,612	107,212
	726,962	731,148

16 Creditors: amounts falling due after more than one year

	2020 £	2019 £
Other loans	38,142	-

BRINE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

16 Creditors: amounts falling due after more than one year

(Continued)

	2020 £	2019 £
Analysis of loans		
Wholly repayable within five years	44,499	-
Less: included in current liabilities	(6,357)	-
	<u>38,142</u>	<u>-</u>
Amounts included above	<u>38,142</u>	<u>-</u>
Loan maturity		
Debt due in one year or less	6,357	-
Due in more than one year but not more than two years	6,357	-
Due in more than two years but not more than five years	19,071	-
Due in more than five years	12,714	-
	<u>44,499</u>	<u>-</u>

Other loans represent amounts from Salix & CIF to help fund property development projects. The loans are interest free and are repayable over a term of 8 years.

17 Deferred income

	2020 £	2019 £
Deferred income is included within:		
Creditors due within one year	<u>216,291</u>	<u>36,705</u>
Deferred income at 1 September 2019	36,705	36,098
Released from previous years	(36,705)	(36,098)
Resources deferred in the year	<u>216,291</u>	<u>36,705</u>
Deferred income at 31 August 2020	<u>216,291</u>	<u>36,705</u>

At the balance sheet date the academy trust was holding funds of £216,291 received in advance for the autumn term.

BRINE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

18 Funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	-	6,899,903	(7,112,527)	212,624	-
Other DfE / ESFA grants	-	181,061	(181,061)	-	-
Other government grants	-	226,602	(226,602)	-	-
Pension reserve	(2,009,000)	-	(308,000)	(247,000)	(2,564,000)
	<u>(2,009,000)</u>	<u>7,307,566</u>	<u>(7,828,190)</u>	<u>(34,376)</u>	<u>(2,564,000)</u>
Restricted fixed asset funds					
Inherited on conversion	24,794,849	-	(104,228)	-	24,690,621
DfE group capital grants	2,471,810	78,665	(22,578)	27	2,527,924
Capital expenditure from GAG	2,495,689	-	(45,099)	-	2,450,590
Private sector capital sponsorship	125,264	4,000	(1,314)	-	127,950
	<u>29,887,612</u>	<u>82,665</u>	<u>(173,219)</u>	<u>27</u>	<u>29,797,085</u>
Total restricted funds	<u>27,878,612</u>	<u>7,390,231</u>	<u>(8,001,409)</u>	<u>(34,349)</u>	<u>27,233,085</u>
Unrestricted funds					
General funds	<u>89,194</u>	<u>408,818</u>	<u>(123,142)</u>	<u>(212,651)</u>	<u>162,219</u>
Total funds	<u>27,967,806</u>	<u>7,799,049</u>	<u>(8,124,551)</u>	<u>(247,000)</u>	<u>27,395,304</u>

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

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency/Department for Education/sponsor/other funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency/Department for Education.

BRINE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

18 Funds

(Continued)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	-	6,505,049	(6,925,825)	420,776	-
Other DfE / ESFA grants	-	174,315	(174,315)	-	-
Other government grants	-	199,407	(199,407)	-	-
Pension reserve	(1,079,000)	-	(162,000)	(768,000)	(2,009,000)
	<u>(1,079,000)</u>	<u>6,878,771</u>	<u>(7,461,547)</u>	<u>(347,224)</u>	<u>(2,009,000)</u>
Restricted fixed asset funds					
Transfer on conversion	24,917,470	-	(122,621)	-	24,794,849
DfE group capital grants	752,824	1,811,823	(22,557)	(70,280)	2,471,810
Capital expenditure from GAG	2,546,021	-	(50,332)	-	2,495,689
Private sector capital sponsorship	126,104	-	(840)	-	125,264
	<u>28,342,419</u>	<u>1,811,823</u>	<u>(196,350)</u>	<u>(70,280)</u>	<u>29,887,612</u>
Total restricted funds	<u>27,263,419</u>	<u>8,690,594</u>	<u>(7,657,897)</u>	<u>(417,504)</u>	<u>27,878,612</u>
Unrestricted funds					
General funds	<u>57,892</u>	<u>491,895</u>	<u>(110,097)</u>	<u>(350,496)</u>	<u>89,194</u>
Total funds	<u>27,321,311</u>	<u>9,182,489</u>	<u>(7,767,994)</u>	<u>(768,000)</u>	<u>27,967,806</u>

19 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	29,841,584	29,841,584
Current assets	162,219	443,215	277,390	882,824
Creditors falling due within one year	-	(443,215)	(283,747)	(726,962)
Creditors falling due after one year	-	-	(38,142)	(38,142)
Defined benefit pension liability	-	(2,564,000)	-	(2,564,000)
Total net assets	<u>162,219</u>	<u>(2,564,000)</u>	<u>29,797,085</u>	<u>27,395,304</u>

BRINE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

19 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	29,887,612	29,887,612
Current assets	89,194	363,787	367,361	820,342
Creditors falling due within one year	-	(363,787)	(367,361)	(731,148)
Defined benefit pension liability	-	(2,009,000)	-	(2,009,000)
Total net assets	89,194	(2,009,000)	29,887,612	27,967,806

20 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 Cheshire West and Chester Council. Both are defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2016.

Contributions amounting to £115,258 (2019: £99,024) were payable to the schemes at 31 August 2020 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury 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.

BRINE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

20 Pension and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The 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 the TPS in the period amounted to £807,120 (2019: £550,204).

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 17.65% for employers and 5.5 to 11.4% for employees. The estimated value of employer contributions for the forthcoming year is £205,000.

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.

Total contributions made	2020 £	2019 £
Employer's contributions	236,000	254,000
Employees' contributions	65,000	61,000
Total contributions	301,000	315,000
Principal actuarial assumptions	2020 %	2019 %
Rate of increase in salaries	2.9	2.6
Rate of increase for pensions in payment/inflation	2.2	2.3
Discount rate for scheme liabilities	1.7	1.9

BRINE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

20 Pension and similar obligations

(Continued)

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

	2020 Years	2019 Years
Retiring today		
- Males	21.2	21.2
- Females	23.6	23.5
Retiring in 20 years		
- Males	21.9	22.2
- Females	25.0	25.0

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumptions at 31 August 2020

0.5% decrease in Real Discount Rate = 14% or £873,000 increase in employer liability

0.5% increase in the Salary Increase Rate = 1% or £89,000 increase in employer liability

0.5% increase in the Pension Increase Rate = 12% or £769,000 increase in employer liability

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

	2020 Fair value £	2019 Fair value £
Equities	1,726,000	1,964,000
Bonds	1,573,000	1,250,000
Property	384,000	321,000
Other assets	153,000	35,000
Total market value of assets	3,836,000	3,570,000

The actual return on scheme assets was £4,000 (2019: £246,000).

Amount recognised in the Statement of Financial Activities

	2020 £	2019 £
Current service cost	503,000	384,000
Past service cost	-	17,000
Interest income	(70,000)	(89,000)
Interest cost	111,000	121,000
Benefit changes, curtailments and settlements gains or losses	-	(17,000)
Total operating charge	544,000	416,000

BRINE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

20 Pension and similar obligations	(Continued)	
Changes in the present value of defined benefit obligations	2020	2019
	£	£
At 1 September 2019	5,579,000	4,120,000
Current service cost	503,000	367,000
Interest cost	111,000	121,000
Employee contributions	65,000	61,000
Actuarial loss	181,000	925,000
Benefits paid	(39,000)	(32,000)
Past service cost	-	17,000
	<hr/>	<hr/>
At 31 August 2020	6,400,000	5,579,000
	<hr/>	<hr/>
Changes in the fair value of the academy trust's share of scheme assets	2020	2019
	£	£
At 1 September 2019	3,570,000	3,041,000
Interest income	70,000	89,000
Actuarial (loss)/gain	(66,000)	157,000
Employer contributions	236,000	254,000
Employee contributions	65,000	61,000
Benefits paid	(39,000)	(32,000)
	<hr/>	<hr/>
At 31 August 2020	3,836,000	3,570,000
	<hr/>	<hr/>
21 Reconciliation of net (expenditure)/income to net cash flow from operating activities	2020	2019
	£	£
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(325,502)	1,414,495
Adjusted for:		
Capital grants from DfE and other capital income	(82,665)	(1,811,823)
Investment income receivable	(3,087)	(1,252)
Defined benefit pension costs less contributions payable	267,000	130,000
Defined benefit pension scheme finance cost	41,000	32,000
Depreciation of tangible fixed assets	173,219	196,350
(Increase) in stocks	(2,292)	(5)
Decrease/(increase) in debtors	278,567	(289,050)
(Decrease)/increase in creditors	(10,543)	198,987
	<hr/>	<hr/>
Net cash provided by/(used in) operating activities	335,697	(130,298)
	<hr/>	<hr/>

BRINE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

22 Analysis of changes in net funds

	1 September 2019	Cash flows	31 August 2020
	£	£	£
Cash	343,912	338,757	682,669
Loans falling due within one year	-	(6,357)	(6,357)
Loans falling due after more than one year	-	(38,142)	(38,142)
	<u>343,912</u>	<u>294,258</u>	<u>638,170</u>

23 Related party transactions

No related party transactions took place in the period of account other than certain trustees' remuneration and expenses already disclosed in note 10.

24 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.