

Company Registration No. 07695771 (England and Wales)

**BRIGHT FUTURES EDUCATIONAL TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**TRUSTEES' REPORT AND AUDITED ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**



# **BRIGHT FUTURES EDUCATIONAL TRUST**

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# BRIGHT FUTURES EDUCATIONAL TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Members

Dame D Ross-Wawrzynski  
J Kelly  
Y Patel

### Trustees

L Nicholls (Resigned 21 October 2021)  
Dr J W Stephens CBE (Accounting Officer)  
A Foster (Resigned 31 January 2022)  
D Rubin (Chair of the Board)  
R Leggett (Chair of Remuneration Committee)  
I Ashworth (Chair of Audit Committee)  
P Moonan  
M Whilby  
K Clough  
M Tonge

### Senior management team

- Chief Executive Officer	Dr J W Stephens CBE
- Chief Operating Officer	T E Vitalis FCCA (Chief Financial Officer)
- Director of Primary Education	G Handforth
- Director of People & Strategy	L Beckett
- Director of Teaching School	L Fathers

### Company secretary

T E Vitalis FCCA (Chief Financial Officer)

### Company registration number

07695771 (England and Wales)

### Registered office

The Hub  
144 Irlam Road  
Flixton  
Manchester  
M41 6NA

### Academies operated

Altrincham Grammar School for Girls  
Cedar Mount Academy  
Morton Primary Academy and Nursery  
Melland High School  
Rushbrook Primary Academy  
South Shore Academy  
Stanley Grove Primary Academy  
Acre Hall Primary School  
Barton Clough Primary School  
Elmridge Primary School  
Lime Tree Primary Academy  
The Orchards  
Development Network

### Location

Altrincham  
Gorton  
Blackpool  
Gorton  
Gorton  
Blackpool  
Manchester  
Trafford  
Trafford  
Trafford  
Trafford  
Trafford  
Altrincham

### Principal/Head of School

S Gill  
K Hodgson  
A Coyle  
S Warner  
M Carroll  
R Warhurst/R Coupe  
T Ward  
C Catherall  
S Beswick  
R Bolton  
C Larkin  
H O'Brien  
L Fathers

# BRIGHT FUTURES EDUCATIONAL TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Independent auditor

UHY Hacker Young Manchester LLP  
St James Building  
79 Oxford Street  
Manchester  
M1 6HT

### Solicitors

Browne Jacobson LLP  
Mowbray House  
Castle Meadow Road  
Nottingham  
NG2 1BJ

Hill Dickinson LLP  
50 Fountain Street  
Manchester  
M2 2AS

# **BRIGHT FUTURES EDUCATIONAL TRUST**

## **TRUSTEES' REPORT**

### ***FOR THE YEAR ENDED 31 AUGUST 2022***

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The trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates twelve academies in the north-west of England. These comprise eight primary schools (including a special primary), two 11-16 secondary schools, one 11-18 grammar school and one 11-19 special school.

The academy trust operates academies for pupils aged 2 to 19 serving the catchment areas of East Manchester, South Manchester and Blackpool. Its academies have a combined pupil capacity of 6,043 and had a roll of 6,172 in the school census in May 2022.

#### **Structure, governance and management**

##### Constitution

Bright Futures Educational Trust is a company limited by guarantee (No. 07695771) and an exempt charity in accordance with the Academies Act 2010. The charitable company was incorporated on 6 July 2011. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Bright Futures Educational Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as Bright Futures Educational Trust.

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

##### 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 Trust has purchased insurance to cover trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. Details of the costs can be found in note 12 of the accounts.

##### Method of recruitment and appointment or election of trustees

The Members of the Trust are responsible for the appointment of Trust Directors (trustees). The number of trustees shall be a minimum of seven up to a maximum of ten with the number of Executive Directors not exceeding one third.

##### Policies and procedures adopted for the induction and training of trustees

Trustees are inducted with the Trustees Induction Pack that have been developed. Training requirements are discussed at directors' board meetings.

# **BRIGHT FUTURES EDUCATIONAL TRUST**

## **TRUSTEES' REPORT (CONTINUED)**

### ***FOR THE YEAR ENDED 31 AUGUST 2022***

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#### Organisational structure

The governance of the Trust is defined in the Memorandum and Articles of Association together with the funding agreements with the Department of Education. In addition to the Trustees, Local Governing Bodies ('LGBs') have been appointed for each school within the Trust. These bodies report to the Board of Trustees through the Chief Executive Officer.

The Trust has three Board Committees: the Audit and Risk Committee, the Remuneration Committee and the Race Diversity and Inclusion Committee, who report directly to the Board of Trustees. Responsibility for the internal control environment, risk management and review of the annual statutory report and accounts has been delegated to the Audit and Risk Committee. Responsibility for the annual appraisal of the CEO, review and setting the remuneration of the Executive has been delegated to the Remuneration Committee and responsibility for the oversight of equality and inclusion has been delegated to the Race Diversity and Inclusion Committee. Local Governing Bodies have been delegated the responsibility to ensure that the Trust's vision, mission values, commitments and overall aims are made relevant and tangible in their academy and for the delivery of the Trust strategy locally.

The Executive Team consists of the Chief Executive Officer, Chief Operating Officer, Director of People and Strategy, Director of Education and the Director of Development, Partnerships and Teaching School Hubs. The Executive Team meets each month in term time during each academic year.

The day to day running of the Trust is delegated by the trustees to manage under the leadership of the Chief Executive Officer, who is the Accounting Officer.

#### Arrangements for setting pay and remuneration of key management personnel

##### Setting the pay on appointment

- We use the School Teachers Pay and Conditions Document as the benchmark and guide for school leadership posts
- For central Trust Leadership posts, we use external salary benchmarking as the guide to pay.

#### Annual Pay Reviews

All teaching, leadership, executive and associate staff have an appraisal once a year and a mid-year review. This process is the mechanism for monitoring performance. Where there are no performance concerns, pay is automatically progressed within the relevant pay-scale.

- For Principals and Heads of School, individual pay-scales and pay progression are reviewed by a small committee of Trust executives, chaired by the CEO.
- For the central operations leadership posts, the pay scales are approved by the Remuneration Committee and this committee moderates recommendations for the direct reports of the Chief Executive Officer (CEO)
- The CEO's pay is determined by the Remuneration Committee.

# BRIGHT FUTURES EDUCATIONAL TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### Trade union facility time

##### *Relevant union officials*

Number of employees who were relevant union officials during the relevant period	18
Full-time equivalent employee number	18.00

##### *Percentage of time spent on facility time*

Percentage of time	Number of employees
0%	5
1%-50%	13
51%-99%	-
100%	-

##### *Percentage of pay bill spent on facility time*

Total cost of facility time	30,915
Total pay bill	34,443,100
Percentage of the total pay bill spent on facility time	-

##### *Paid trade union activities*

Time spent on paid trade union activities as a percentage of total paid facility time hours	22%
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#### Engagement with employees (including disabled persons)

The Trust is committed to ensuring equality of opportunity for all who learn and work here. We respect and value positive differences in race, gender reassignment, sex, sexual orientation, marriage and civil partnerships, pregnancy and maternity, religion or belief and age.

The Trust welcomes and encourages all applications from disabled persons, and considers them from a 'strength-based' perspective, bearing in mind the aptitudes of the individuals concerned. Where an existing employee becomes disabled, every effort is made to ensure that employment with the Trust continues. The Trust's policy is to provide training, career development and opportunities for promotion, which are as far as possible, identical to those for other employees.

The Trust works with employee trade unions and professional associations via the Joint Consultation and Negotiation Body (JCNB) and across all our academies. We engage in consultation, as required to ensure that all aspects of the Trust affecting its employees are in accordance with our recognition and procedure agreement.

During the year we commissioned an independent survey of all our staff to understand the levels of engagement across a number of areas such as school leadership, trust leadership, job role, development, wellbeing and teamwork. We had a good response rate of nearly 60% and a slightly improved picture of overall staff engagement with 84% of staff positive or very positive in their responses. The section that asked questions about Bright Futures as an employer, was the highest scoring section, with 84% positive/very positive.

#### Engagement with suppliers, customers and others in a business relationship with the academy trust

Throughout the year Trustees have taken account of the need to develop strong business relationships with suppliers, customers and others. This has been particularly important as we try to return to a normality following the coronavirus pandemic and also as we start to address the challenges presented by the global economic crisis to ensure financial stability for everyone, maintain well-being and ensure quality provision of services is maintained.

# BRIGHT FUTURES EDUCATIONAL TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### Related parties and other connected charities and organisations

Although there are a number of professional links to other schools and third party organisations, the Trust is an independent company with no formal affiliation to outside bodies,

As well as our 12 schools we have a large Development Network centrally. In 2021 we were designated with two large scale Teaching School Hubs: 'Bright Futures Teaching School Hubs'. These look after the professional development of Early Career Teachers and leaders in Salford, Trafford, Manchester and Stockport and of course our own trust too. We are also a Maths Hub designated by the DFE and in 2022 we were successfully reaccruited as a SCITT (School Centred Initial Teacher Training). As well as these grant funded organisations we also run a commercial CPD and School Improvement service called 'The Alliance for Learning'. In total we work with over 800 schools.

#### **Objectives and activities**

##### Objects and aims

The objective of Bright Futures is to advance education, for the public benefit, by managing and developing academies, promoting co-operation between academies, promoting school improvement in respect of academies and ensuring the distinctive ethos of any academy which it manages or develops is upheld. This is captured in our vision: 'the best for everyone, the best from everyone'.

Through our mission, our family of schools places young people, families and communities at the heart of everything we do. We are a true community with shared responsibility and common core values which create a culture of collaboration, opportunity, respect and innovation. We inspire excellence and believe in nurturing the abilities of all within our schools and communities. We empower our young people to build purposeful lives and have the courage and confidence to make a positive contribution to society. Through excellence in education all of our young people will have a bright future.

Our core values are:

- Community — we work together for a common purpose acknowledging our diversity as strength
- Integrity — we do the right things for the right reasons
- Passion — we take responsibility, work hard and have high aspirations

Our commitments are: to foster collaborative and strong relationships; to promote professional learning; to be supportive, challenging and fair; to communicate effectively; to create strong governance and accountability; to achieve value for money; to be united behind decisions and to be an organisation where ensuring equality, diversity and inclusion is celebrated.

#### Objectives, strategies and activities

Our Strategic Aims are:

- Good progress, participation and achievement for all pupils equitably via a rich and diverse curriculum. All schools to be improving at an ambitious pace, appropriate to their context, and have the capacity for sustainable continuous improvement in all aspects of the curriculum and wider offers.
- Sustained financial viability enables flexible investment in school improvement.- Achievement of long term sustainable viability, managed within a robust governance environment with clear and effective financial controls that yield opportunities to support improvements by targeted investment.
- Our staff advocate Bright Futures as an excellent and equal opportunities employer,- All staff are positively engaged, enjoy equitable treatment, are held to account, supported and challenged, People's wellbeing and development are evident through compassionate behaviours, strategies and decision making.
- Through growth, influence, collaboration and partnerships, the Trust's vision and mission are embedded in everything we do. Any growth adds value to the rest of the Trust, the school system and our communities. Governance and organisational systems are sufficiently strong and flexible to deliver and exceed our vision and mission.



# **BRIGHT FUTURES EDUCATIONAL TRUST**

## **TRUSTEES' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2022***

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### Public benefit

The Trustees of Bright Futures Educational Trust are committed to ensuring that the Trust's activities are for the public benefit and have complied with their statutory duties.

In particular, Trustees have been provided with the Public Benefit guidance published by the Charity Commission and public benefit is properly taken into account in exercising their powers and duties.

Bright Futures Educational Trust provides a benefit to the public in a number of ways, including but not limited to, the education and development of all children within our schools, providing professional training and development to the wider educational sector through the Development Network. We make available our facilities and estates, which include sports halls and hydrotherapeutic pools and all weather Multi Use Games Areas. Finally, we give back through our civic duty to the local community and additionally, Bright Futures supports fund raising activities.

# **BRIGHT FUTURES EDUCATIONAL TRUST**

## **TRUSTEES' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2022**

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### **Strategic report**

#### **Achievements and performance**

The Trust achieved a £741k surplus before capitalisation of fixed assets, depreciation and movements in the pension liability.

We have welcomed the lifting of lockdown and pandemic restrictions in the past year. It has meant that schools have been able to return to a greater degree of normality with activities such as trips and visits, inter school sports competitions, Duke of Edinburgh Awards and wider social, cultural and specialist academic experiences returning. These are important in all schools but are particularly so where students wouldn't routinely enjoy such experiences as part of their lives outside school. The return of international travel has meant that our students can once again access enriching visits abroad. It is very much to the credit of staff in schools that they have reinstated such a rich programme of activities beyond the classroom following the long periods of restrictions.

We have had two graded inspections by Ofsted. The first was at Rushbrook Primary where there was a positive and encouraging report highlighting the progress that the school has made since its last inspection. Although the overall judgement remained 'requires improvement' three of the five sub judgements were 'good'. Barton Clough had been subject to 'special measures' since 2016 – although, technically, its conversion to an academy meant that it had no published grade. We were a little disappointed that the inspection didn't adequately recognise the significant improvement journey of the school but, even so, it received a positive report and was judged overall to require improvement with some 'good' judgements.

A number of schools received national recognition for aspects of their work. Lime Tree received a prestigious TES Award for its SEND provision in a mainstream school and a Pearson Bronze Award. South Shore received the School Games Gold Award and The John Palmer Award, Blackpool Pride, for going above and beyond in raising awareness for the LGBTQ+ community. Acre Hall achieved the Artsmark Gold Award whilst Barton Clough and Rushbrook achieved the Bronze Rights Respecting School standard. The trust overall was recognised with a Pearson Award for impact through partnerships.

The specialist provision that we developed at Marton Primary is now fully up and running and is successfully making good provision for autistic children in the locality. The provision is full and could be over subscribed, such is the need for this type of specialism. Similarly, we have partnered with Manchester City Council to undertake a £3.8m expansion of Melland High School. This extensive capital project will provide more places for children with complex needs. As a linked project we were also able to expand Cedar Mount to improve teaching spaces and resources for specialist subjects. We completed a £4.8m funded sports hall build at Altrincham Grammar School for Girls, funded via the DfE Grammar School Expansion Fund.

The Orchards has also expanded its numbers and continues to serve children and families in the area. Again, there is significant demand in Trafford for specialist school places and we are pleased to contribute to meeting complex needs through this excellent provision.

Work on the various school curriculums has continued apace. Reading continues to be a focus in every school. The ability to read fluently is such an important life-skill but it also can bring so many opportunities for lifelong learning and pleasure so it is important that it has remained a central focus in all schools, especially post pandemic. The work to improve reading at Key Stage 3 in Blackpool is having a demonstrably positive impact. Librarians in the trust's secondary schools are ensuring that children engage with a rich literary diet and have exciting opportunities to meet authors. Language development in early years settings is a priority, as are phonics as children progress. Strong foundations in oracy and literacy are vital to children's education and our schools have noted a significant delay in many children's language development following the lockdown periods. First hand experiences such as outdoor learning and specific, targeted teaching are helping children to improve; many of these activities are supported by well-trained assistants under the guidance of teachers.

Whilst schools have made some use of the National Tutoring Programme, the way that it has been organised has often reduced access. The programme is insufficiently well funded and involves over-bureaucratic systems to set up and run. The school-led element has been more successful. The idea of one to one and small group tutoring to support 'catch up' is a good one but its implementation at a national level has resulted in inconsistency in standards of delivery and confusion about how best to access and organise the provision.

# **BRIGHT FUTURES EDUCATIONAL TRUST**

## **TRUSTEES' REPORT (CONTINUED)**

### ***FOR THE YEAR ENDED 31 AUGUST 2022***

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This year saw the return of controlled assessments in primary tests and public examinations. OFQUAL helpfully devised a system designed to offer some compensation for children's 'lost learning' during the pandemic. This means that the GCSE and A level results overall represent an adjustment between the last 'normal' year (2019) and the current year so that 2022 results are distributed roughly between the two. This is intended to smooth out the reported grade inflation that occurred through the centre/teacher assessed grades. In that context our secondary settings achieved well overall, each demonstrating some positive improvement. AGGS was a significant outlier achieving outstanding results. The impact of deep, long-term poverty in Blackpool and east Manchester can be seen in the impact on results at South Shore and Cedar Mount. The differential impact of Covid19 on areas of the country with the highest levels of socio-economic deprivation is well documented. This contextual explanation must never be an excuse for low expectations, however. The additional challenges faced by children who are living in poverty requires us to be more skilful, determined and aspirational, focusing our best efforts and resources on improvement where it is needed most.

Improving attendance is a priority for us in some of the schools where improvements in overall attendance are not good enough and persistent absence rates are rising. We have worked with a DfE Attendance Adviser to try to tackle the barriers to good attendance but, in some cases, a multi-agency approach is required to support families. The long lockdowns have made it more difficult to engage some older children in particular. We are also seeing an increased prevalence of emotionally based school avoidance as part of a bigger picture of deteriorating mental health. This is compounded by the lack of access to specialist mental health services. Our educational psychologists and school-based mental health leads provide very good support to enable students, families and staff to respond positively to those suffering mental ill-health but access to specialist services is a continuing challenge.

Despite these significant challenges, on the whole, our schools have made progress when compared to pre-pandemic outcomes. South Shore Academy and Cedar Mount Academy, although below the National Average for KS4 English and Maths in 2022, do show encouraging signs of improvement; we accept that the rate of improvement must be better.

Our primary schools' outcomes for Year 6 Reading, Writing and Maths combined measure are near to or above National Averages for 2022.

The effects of lockdowns will be with us for some time, but we will continue to support our schools to ensure that they can meet these challenges and that all schools make good progress. Through our systematic approach to school improvement we are able to identify barriers to success and provide the necessary support and challenge.

We scrutinise any particular education gaps and trends across end of Key Stage year groups for e.g.; Pupil Premium, EAL and SEND and monitor the impact of specific support, interventions and strategies, commissioning additional expertise where necessary.

During the year we established the 'Development Network'. This network was developed in spring and summer 2021 and is made up of 5 components: two Teaching School Hubs (newly designated in 2021), a SCITT, a maths hub, and a commercial Alliance for Learning CPD and School Improvement offer. The network has its origins in the designation of AGGS as a successful teaching school alliance and the school's strong track record.

The reach of the 5 organisations is wide covering Trafford, Salford, Manchester, Stockport, Tameside and Oldham. The development and training of teachers at all stages of their careers remains extremely high quality.

The commercial offer continues to be innovative and responsive to change ensuring schools can support the pandemic recovery process. Moreover, the network opportunities from both the commercial and Hub arrangements have substantially increased our ability to commission high quality school improvement support and intervention.

We have continued to develop our approach to recruitment and retention of staff, in a challenging market. We use social media much more to promote vacancies and also to promote us as an employer; our staff engagement survey results are contained earlier in this report. We have introduced approaches to recruitment to support our commitment to inclusion, for example we have introduced an anonymised on line job application process and we advertise all of our vacancies on a job board for 'Black, Asian and Minority Ethnic Educators'.

# BRIGHT FUTURES EDUCATIONAL TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### Key performance indicators

##### Financial:

- income (percentage of general funds income derived from the GAG) — 72.5% (2021: 70.6%)
- staff costs as a percentage of general funds income — 85.3% (2021: 79.7%)
- cash balance - £9,550,000 (2021: £10,513,000)

##### Non-financial:

##### **Primary: National 2019 to 2022**

2019 was the last time that pupils had sat formal examinations until 2022.

Reading, Writing and Maths combined measure (59%) is the second lowest ever recorded.

Reading (74%) showed a slight improvement on 2019 (73%).

Writing (69%) decreased and was the second lowest ever recorded.

Maths (71%) decreased is also the second lowest ever recorded.

##### **Bright Futures Primary Year 6 Reading, Writing and Maths (RWM) combined measure**

Barton Clough RWM combined results in 2022 was 62% (this figure includes pupils in the Specialist Support Classes – SSCs), 67% if not included. This is 3% pts higher than National Average (59%) and a notable achievement. Barton Clough not only achieved higher than National in the RWM measure in 2022 but is also above National in all other subject areas.

Acre Hall (54%), Lime Tree (57%), Marton (57%), Rushbrook (56%) and Stanley Grove (51%) are all close to National 2022 (59%). Rushbrook (56%) has made 22% pts progress from their 2019 outcomes (34%). Elmridge (79%) is well above the national average for 2022.

##### **Reading**

Our Reading outcomes have improved in all schools since 2019 with the exception of Lime Tree (80% in 2019, 70% in 2022) yet still close to National for 2022 (74%), and Marton (74% in 2019 to 73% in 2022).

##### **Writing**

In Writing, Barton Clough, and Rushbrook both buck the National trend, performing better than they did in 2019. All of our other schools followed the National trend of a decrease in attainment since 2019, but achieved close to the National figure (69%) with the exception of Stanley Grove (55%).

##### **Maths**

In Maths, Acre Hall (73%), Barton Clough 74%) and Rushbrook (63%) performed better than they did in 2019, with both Barton Clough and Acre Hall performing higher than the National average (71%) in 2022. Although Elmridge (91%) did not perform as well as it did in 2019 (100%) it is still well above the National average. Lime Tree (72%) is above the national average.

For 2022, Marton (70%) and Stanley Grove (70%) achieved close to the National figure.

Of all of our schools, Lime Tree and Marton seem to have been the most affected, when comparing KS2 (and other) outcomes with their 2019 results. Y1 Phonics in both schools and Y6 Spelling, Punctuation and Grammar outcomes in Marton were adversely affected by speech, language and communication needs caused by lockdowns.

Barton Clough and Rushbrook have bucked the trend in the Nationally reported decreases and have performed better across all subjects since 2019. The remaining schools have performed broadly in line with their 2019 outcomes and are all relatively close to the National Averages for 2022. This is a significant achievement for our schools.

# **BRIGHT FUTURES EDUCATIONAL TRUST**

## **TRUSTEES' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2022**

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#### **Secondary and Sixth Form**

##### **Nationally**

Grade 4+ English and Maths increased  
Grade 5+ English and Maths increased  
A level A\*-A and A\*-C increased

Students sat GCSE, A and AS level exams this year with adaptations to recognise the disruption to their education.

National results are above the midpoint between 2019 and 2021. The ambition is to get the results in line with standards of 2019 by 2023. This may mean a fall in standards next year (if we see a return to 2019 standards)

Nationally, A levels are also above the midpoint from 2019-2021. Again, this may also be tougher for 2023 results if Ofqual also bring the results in line with 2019.

#### **2022 Results**

##### **GCSEs**

Overall, the basics (GCSE English and Maths) measure at Grade 4+ for Cedar Mount and South Shore (and Grade 7-9 at AGGS) demonstrate improvements when compared to 2019. South Shore has also improved on G5+ from 2019. However, this is from a very low starting point and well below the National Average. AGGS has improved in every grade since 2019 with exceptionally high results.

##### **A Levels**

A-Level outcomes for AGGS also show an improving trend (A\*-A, A\*-B and A\*-C) when compared to 2019 outcomes. This demonstrates exceptionally high achievements.

##### **Progress 8**

This is the 'value added' measure of progress that students make from the end of primary school to the end of secondary school. A Progress 8 score of zero means that the students performed as well as other pupils who had a similar Key stage 2 result. As with all statistical measures it should be treated with some caution but it provides one proxy measure for 'progress'.

AGGS Progress 8 figure was 1.07, an improvement on 2019.

Cedar Mount Progress 8 figure was -0.10, showing an improvement since 2019. This is also the highest the school has ever achieved, placing the school in the national average bracket. South Shore's P8 figure was -2.27 a fall from 2019 (-1.58). We feel that the interruptions caused by Covid, particularly in this low socio-economic area, the negative effect on attendance, and that only 43% of the Y11 cohort started at the school from Y7, contributed to a low Progress 8 score.

There are no national tests for students in our specialist school settings. Outcomes are assessed formatively with progress linked to individual Education, Health and Care Plans.

# BRIGHT FUTURES EDUCATIONAL TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### Going concern

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

The financial statements have been prepared on the going concern basis which assumes that the charitable company will continue in operational existence for the foreseeable future. The validity of this assumption depends on the continued provision of adequate funding. The financial statements do not include any adjustments that would result if the funds were not made available.

The charitable company finances its operations with cash funds held at Lloyds Bank and borrowings from the Education Skills Funding Agency (ESFA). At the balance sheet date, amounts due to the ESFA total £3.4m. The trustees have agreed a repayment plan with the ESFA for these liabilities and for ongoing support to enable the charitable company to continue trading for the foreseeable future.

After making appropriate enquiries, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the annual report and accounts. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

#### Promoting the success of the academy trust

The Trustees have acted in accordance with their duties codified in law, which include their duty to act in the way in which they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members, stakeholders and the matters set out in section 172(1) of the Companies Act 2006. The Charities Commission has issued guidance which explains that charitable companies should take "promoting the success of the company" to mean "promoting the success of the charity to achieve its charitable purposes."

The Trust is governed by its charitable objects. These charitable objects set out the purpose of the charity. The consequences of all decisions and activities of the charity are assessed by how they drive us towards achieving that long-term purpose, including by reference to the charity's strategy, vision and values. As an educational charity, we are accountable not only to our funders and direct beneficiaries (our pupils) but also our parents and wider community. These stakeholders support us, engage with us, and challenge us. They ensure that the decisions we make as a charity, from the ground level through to the Board, are for their benefit. We are a values driven organisation and our values mean that we are informed, shaped and powered by our determination to uphold our vision and values. Well-established involvement and consultation mechanisms, both direct (through parent and staff surveys) and indirect ensure that decisions made by the Trustees are informed by the needs of the organisation's stakeholders.

#### a. Long-term consequences of any decision

Trustees consider the consequences of any strategic decision in the long-term as part of their assessment. We aim to ensure that as an organisation we balance our income and expenditure to ensure that our organisation remains sustainable in the long term. This is balanced against the needs of our pupils, staff and other stakeholders, and the community, to ensure we are spending the funding we receive from the government in the most effective way to support our aims, and with integrity.

#### b) The interests of the company's employees

Details of how the Trustees give consideration to the interests of the organisation's employees can be found in the section Engagement with employees within this report.

# BRIGHT FUTURES EDUCATIONAL TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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- c) The need to foster the company's business relationships with suppliers, customers and others  
Details of how the Trustees give consideration to the interests of the organisation's other stakeholders can be found in the section Engagement with suppliers, customers and others in a business relationship with the Trust.
- d) The impact of the company's operations on the community and the environment  
Details of how the Trustees give consideration to the impact on the community can be found in the section Engagement with suppliers, customers and others in a business relationship with the Trust. Further information is also given in the section on Public Benefit. An example of how the Trust has considered its impact on the local community has been during the COVID-19 crisis, where a decision was made to supply supermarket vouchers to families normally in receipt of free school meals, ahead of the government introducing a national scheme.
- e) The desirability of the company maintaining a reputation for high standards of business conduct  
The Trust aims to conduct all its relationships with integrity and courtesy, and to honor all business agreements. The Trustees have approved a number of policies that help to ensure we maintain high standards of business conduct.
- f) The need to act fairly as between members of the company  
All members of the Trust are treated fairly and equally, with the same access to information, the ability to directly contact trustees, the Chief Executive Officer or any member of the senior leadership teams.

All matters reserved for decision by the Trustees are presented at Board or Committee meetings as appropriate. Trustees are briefed on any identified potential impacts and risks for our stakeholders and how they are to be managed. The Trustees take these factors into account before making a final decision which together they believe is in the best interests of the Trust and its stakeholders.

#### Financial review

For the financial period ended 31 August 2022, financial performance has been analysed across the operating divisions of the Trust which are largely responsible for managing delegated budgets. These are: Acre Hall Primary School (AH), Altrincham Grammar School for Girls (AGGS), Barton Clough Primary School (BC), Cedar Mount Academy (CMA), Elmridge Primary School (EL), Lime Tree Primary Academy (LT), Marton Primary Academy and Nursery (MAR), Melland High School (MHS), The Orchards School (OR), Rushbrook Primary Academy (RPA), Stanley Grove Primary Academy (SGPA), South Shore Academy (SSA) and Head Office.

The main source of income for the Trust is revenue grant funding for individual academies. Funding is based largely on pupil numbers, and the key risk moving forward is a reduction in the number of pupils at schools within the Trust. AGGS, MHS, and SGPA are currently oversubscribed. The pupil numbers at RPA have reduced since the year end. In Blackpool, at MAR, student numbers continue to fall. The school is being reduced to one form of entry whilst we increase its recently established SEN provision for children with autistic spectrum condition. At SSA student numbers have risen for the last 3 years. In Trafford Elmridge Primary, Lime Tree Primary and the Orchards Special school are at or over PAN. Barton Clough is below PAN but improving whilst Acre Hall primary continues to remain below PAN.

Expenditure across the Trust is typical for the education sector with the main area of expenditure being staff costs.

During the year the Trust received revenues from general funds of £48,632,000 (2021: £43,419,000). Expenditure for the year, excluding pension and fixed asset costs, was £47,891,000 (2021: £40,678,000). The operational surplus was £741,000 (2021: £2,471,000).

The trustees' policy on reserves is to strike a balance between financial prudence and achieving the Trust's educational objectives. It is acknowledged both that available assets should remain at a financially secure level and that current year government funding is to meet the educational needs of current year pupils.

# BRIGHT FUTURES EDUCATIONAL TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### Reserves policy

The level of net assets held at 31 August 2022 totals £2,893,000 (2021: £3,370,000). This excludes the fixed asset and pension liability reserves.

The deficit on the Local Government Pension Scheme (£1,397,000 at 31 August 2022) does not mean that an immediate liability crystallises. The deficit results in a cash flow effect for the Academy Trust in the form of possible future increases in pension contributions, which, if required, will be met from the budgeted annual income. There is therefore considered to be no material impact on free reserves of the Academy Trust because of recognising the deficit.

#### Investment policy

The aim of the Treasury Management Policy is to ensure funds that the Trust does not immediately need to cover anticipated expenditure are invested in such a way as to maximise the Trust's income but with minimal risk. The policy permits cash deposits to be made on terms of up to 6 months to UK incorporated institutions with a Fitch Ratings Short Term Rating of F1 or F1+.

At 31 August 2022 £4m (2021: £4m) was held on short term deposits.

Risks across the Trust are managed via a Trust Strategic Risk Register reviewed at each Audit and Risk Committee and individual School Risk Registers, which are reviewed regularly by their Local Governing Bodies. A Trust wide Risk Management Strategy is in place alongside an Academy Risk Management Strategy.

During the year, the Trust managed some significant risks.

The Trust continued to manage the risk presented to the health and safety of children and staff by ensuring that each school and central teams had dynamic risk assessments in line with national guidance. The processes of assessing risk involved discussions with staff and consultation with trade unions.

The Trust's employees are members of two defined benefit pension schemes, the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). The Trust has recognised its share of the LGPS assets and liabilities in accordance with Financial Reporting Standard 102 section 28. A deficit has been recognised at 31 August 2022. The TPS has been accounted for as a defined contribution scheme. Further details of the accounting policy adopted for each scheme are included in note 1 to the financial statements.

Due to the nature of the two pension schemes there is an underlying risk to the Trust which relates primarily to the uncertainty of the future funding requirements of each scheme, the results of which impact on the contribution rates for future employer contributions to each scheme.

#### **Fundraising**

The trust's approach to fundraising is not to actively participate but to seek out and apply for other bids and grants that may become available throughout the year.

#### **Streamlined energy and carbon reporting**

UK Greenhouse gas emissions and energy use data for the period 1 September 2021 to 31 August 2022

#### *Energy consumption*

Aggregate of energy consumption in the year

kWh  
8,025,061

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# BRIGHT FUTURES EDUCATIONAL TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

<i>Emissions of CO2 equivalent</i>	<b>metric tonnes</b>	<b>metric tonnes</b>
Scope 1 - direct emissions		
- Gas consumption	978.00	
- Fuel consumed for owned transport	11.88	
		989.88
Scope 2 - indirect emissions		
- Electricity purchased		501.93
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the academy trust		5.81
Total gross emissions		1,497.62
<i>Intensity ratio</i>		
Tonnes CO2e per pupil		0.24

#### *Quantification and reporting methodology*

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2021 UK Government's Conversion Factors for Company Reporting.

#### *Intensity measurement*

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector.

#### *Measures taken to improve energy efficiency*

Following the publication of the DfE's climate strategy, "Sustainability and climate change: a strategy for the education and children's services systems", the Trust has committed to developing its own climate strategy during 2022/2023 that contributes to the DfE strategy. The COO has recently become a member of the UK Schools Sustainability Network (UKSSN). Ahead of the strategy, during 2021/22 Trustees commissioned the services of ECS Consultants Ltd to survey and prepare a decarbonisation strategy report for each school in the Trust and for the Trust as a whole. This was in preparation for the Salix funding application window expected in the autumn which will focus on heat source heating systems. The Trust is also working with two energy providers assessing the estates' solar power and LED lighting. Finally, included within two of our current major estates' developments are electrical charging points for vehicles.

#### **Plans for future periods**

Led by the Chief Executive, the Trust continues to deliver its Strategy which seeks to secure; Good progress, participation and achievement for all pupils equitably via a rich and diverse curriculum., Sustained financial viability enables flexible investment in school improvement. Our staff advocate Bright Futures as an excellent and equal opportunities employer, and through growth, influence, collaboration and partnerships, the Trust's vision and mission are embedded in everything we do.

The strategic plan is underpinned by strategic and short-term deliverables in the form of ambitions, programmes of work and success criteria Governed by the Board of Trustees they will provide strategic leadership, monitor school improvement and compliance and oversee effective controls for financial viability: The Trust Executive will provide strategic and operational leadership. Our local governing bodies will provide scrutiny of school development plans and monitor that schools are working within agreed finances and policies.

The Trust has a growth strategy which involves growth by merger and acquisition as well as growth in pupil numbers where capacity exists within current schools. We will also extend our reach and grow via the string collaborative links that our Development Network brings to us.

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

No funds are held on behalf of other organisations.

# BRIGHT FUTURES EDUCATIONAL TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2022**

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### Auditor

In so far as the trustees are aware:

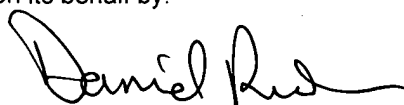
- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

A resolution proposing that UHY Hacker Young Manchester LLP 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 12 December 2022 and signed on its behalf by:



Dr J W Stephens CBE  
Accounting Officer



D Rubin  
Chair of the Board

# BRIGHT FUTURES EDUCATIONAL TRUST

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2022**

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### Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Bright Futures Educational 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.

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreements between the academy trust and the Secretary of State for Education. The Chief Executive 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 five times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
L Nicholls (Resigned 21 October 2021)	2	5
Dr J W Stephens CBE (Accounting Officer)	5	5
A Foster (Resigned 31 January 2022)	3	5
D Rubin (Chair of the Board)	3	5
R Leggett (Chair of Remuneration Committee)	5	5
I Ashworth (Chair of Audit Committee)	5	5
P Moonan	5	5
M Whilby	5	5
K Clough	4	5
M Tonge	5	5

The Audit and Risk Committee is a sub-committee of the main Board of Trustees. Its purpose is to advise the board on all strategic risk-related issues, in particular financial risk. There were three meetings during the period 1 September 2021 to 31 August 2022.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
A Foster (Resigned 31 January 2022)	2	3
I Ashworth (Chair of Audit Committee)	3	3
P Moonan	3	3

# BRIGHT FUTURES EDUCATIONAL TRUST

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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The Remuneration Committee is a sub-committee of the main board of trustees. Its purpose is to review executive pay, conduct the appraisal of the CEO review any recommendations for pay that sit outside of the national agreements for School Teachers (School Teachers Pay and Conditions Document) and Associate staff (National Joint Council).

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
L Nicholls (Resigned 21 October 2021)	2	3
R Leggett (Chair of Remuneration Committee)	3	3
M Whilby	1	3
K Clough	2	3

#### Review of value for money

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

- Continuing to maintain the Trust in a long term financially sustainable position.
- Generating surplus funds in 8 out of 12 academies.
- continuing to deliver value for money through the professional procurements function in the Trust, led by a public procurements specialist, particularly in respect of energy, catering and cleaning contracts.
- The establishment of a professional procurements function in the Trust, led by a public procurements specialist to seek value for money through economies of scale and a specialist service in procurement.
- investing surplus funds into the redevelopment and expansion of the Trust estates, expanding SEN provision at Marton Primary Academy, STEM provision at Cedar Mount Academy and sports provision at Rushbrook Primary Academy.

#### 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 Bright Futures Educational Trust for the period 1 September 2021 to 31 August 2022 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 2021 to 31 August 2022 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

#### Conflicts of interest

The trust maintains an up-to-date and complete register of interests. Conflict of interests is a standing item on all full board meeting and committee meeting agendas in order to give trustees the opportunity to declare any interests in general, and specifically in relation to the agenda itself. This is formally minuted. Should any interests be declared, the relevant trustee would abstain from any discussion or decision making for that agenda item.

# **BRIGHT FUTURES EDUCATIONAL TRUST**

## **GOVERNANCE STATEMENT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2022**

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### **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 Audit and Risk Committee who report to the full governing body;
- regular reviews by the Audit and Risk 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 and general expenditure purchase) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

Areas of weakness have been identified within the framework of internal financial controls and the Trust is committed to improving controls and systems in line with audit recommendations.

The board of trustees has considered the need for a specific internal audit function and has appointed RSM UK Audit LLP as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a termly basis, the internal auditor reports to the board of trustees, through the audit and risk committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

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

- Contracts Framework
- Academic Quality Systems
- Recruitment Framework
- Key Financial Controls - Compliance with Core Controls (Dunham Trust)

On a quarterly basis, the auditor reports to the board of trustees, through the audit and risk committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress works.

### **Review of effectiveness**

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

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

# **BRIGHT FUTURES EDUCATIONAL TRUST**

## **GOVERNANCE STATEMENT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2022***

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

Approved by order of the board of trustees on 12 December 2022 and signed on its behalf by:

  
Dr J W Stephens CBE  
Accounting Officer

  
D Rubin  
Chair of the Board

# **BRIGHT FUTURES EDUCATIONAL TRUST**

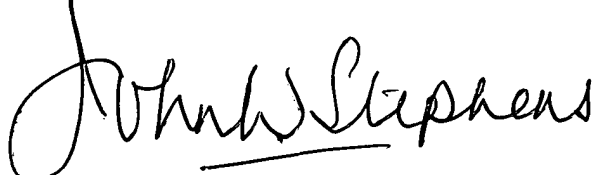
## **STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2022**

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As accounting officer of Bright Futures Educational Trust I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

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 Academy Trust Handbook 2021.

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 handwritten signature in black ink, reading 'John W Stephens', with a horizontal line drawn underneath the name.

**Dr J W Stephens CBE**  
**Accounting Officer**

12 December 2022

# BRIGHT FUTURES EDUCATIONAL TRUST

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

**FOR THE YEAR ENDED 31 AUGUST 2022**

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The trustees (who are also the directors of Bright Futures Educational Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2021 to 2022 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:

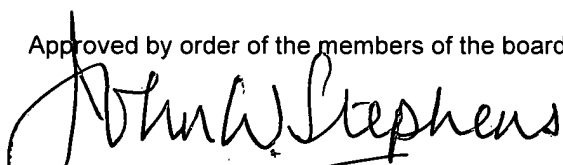
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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.

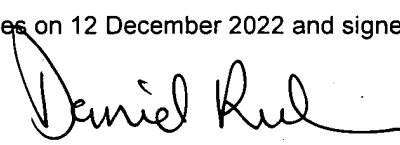
The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the accounts comply with 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 12 December 2022 and signed on its behalf by:

  
Dr J W Stephens CBE  
Accounting Officer

  
D Rubin  
Chair of the Board



# **BRIGHT FUTURES EDUCATIONAL TRUST**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRIGHT FUTURES EDUCATIONAL TRUST**

***FOR THE YEAR ENDED 31 AUGUST 2022***

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### **Opinion**

We have audited the accounts of Bright Futures Educational Trust for the year ended 31 August 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the accounts, including 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 2021 to 2022 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 2022 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 2021 to 2022.

### **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**

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

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

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

### **Other information**

The other information comprises the information included in the annual report other than the accounts and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the accounts themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# **BRIGHT FUTURES EDUCATIONAL TRUST**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRIGHT FUTURES EDUCATIONAL TRUST (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2022**

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### **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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

### **Extent to which the audit was considered capable of detecting irregularities including fraud**

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

# BRIGHT FUTURES EDUCATIONAL TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRIGHT FUTURES EDUCATIONAL TRUST (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2022**

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### Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, we considered the following:

- The nature of the industry and sector, control environment and business performance.
- Any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
- Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- The internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- The matters discussed among the audit engagement team and involving relevant internal specialists, including tax, and industry specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: recognition of income and misappropriation of funds. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks the academy operates in, focussing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and Academies Accounts Direction.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the academy's ability to operate or to avoid a material penalty.

Our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of management and those charged with governance concerning actual and potential litigation claims;
- In addressing the risk of fraud through inappropriate recording of income, we review the existence and completeness of ESFA income and reconcile all other material income streams to third party evidence;
- We carry out a detailed review of deferred income, including a review of amounts released to income in the year.
- We review a sample of expenditure to ensure it has been appropriately authorised and that tender process have been followed where applicable;
- We carry out a review of the register of interests and minutes to ensure that all related parties have been disclosed adequately;
- In assessing the risk of fraud through management override of controls, testing the appropriateness of journal entries and assessing whether judgements made in making accounting estimates are indicative of potential bias.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

# BRIGHT FUTURES EDUCATIONAL TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRIGHT FUTURES EDUCATIONAL TRUST (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2022**

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

### 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.



Stephen Grayson FCCA (Senior Statutory Auditor)  
for and on behalf of UHY Hacker Young Manchester LLP

12 December 2022

Chartered Accountants  
Statutory Auditor

St James Building  
79 Oxford Street  
Manchester  
M1 6HT

# **BRIGHT FUTURES EDUCATIONAL TRUST**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BRIGHT FUTURES EDUCATIONAL TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

***FOR THE YEAR ENDED 31 AUGUST 2022***

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In accordance with the terms of our engagement letter and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Bright Futures Educational Trust during the period 1 September 2021 to 31 August 2022 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 Bright Futures Educational Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Bright Futures Educational 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 Bright Futures Educational Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Bright Futures Educational Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Bright Futures Educational Trust's funding agreement with the Secretary of State for Education and the Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. 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 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

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

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

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

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

# **BRIGHT FUTURES EDUCATIONAL TRUST**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BRIGHT FUTURES EDUCATIONAL TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2022***

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### **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 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**Reporting Accountant**

UHY Hacker Young Manchester LLP

St James Building

79 Oxford Street

Manchester

M1 6HT

Dated: 12 December 2022

# BRIGHT FUTURES EDUCATIONAL TRUST

## STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	Unrestricted funds £000's	Restricted funds: General £000's	Fixed asset £000's	Total 2022 £000's	Total 2021 £000's
<b>Income and endowments from:</b>						
Donations and capital grants	3	-	284	2,467	2,751	2,543
Donations - transfer of existing academy into the trust		-	-	-	-	14,894
Charitable activities:						
- Funding for educational operations	4	-	44,610	-	44,610	39,313
- Teaching schools		-	2,754	-	2,754	2,803
Other trading activities	5	457	509	-	966	441
Investments	6	-	18	-	18	8
<b>Total</b>		<u>457</u>	<u>48,175</u>	<u>2,467</u>	<u>51,099</u>	<u>60,002</u>
<b>Expenditure on:</b>						
Charitable activities:						
- Educational operations	9	457	48,731	1,663	50,851	41,743
- Teaching schools		-	2,554	-	2,554	2,697
<b>Total</b>	7	<u>457</u>	<u>51,285</u>	<u>1,663</u>	<u>53,405</u>	<u>44,440</u>
<b>Net income/(expenditure)</b>		-	(3,110)	804	(2,306)	15,562
Transfers between funds	18	-	(1,218)	1,218	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial gains/(losses) on defined benefit pension schemes	20	-	30,835	-	30,835	(5,119)
Revaluation of fixed assets	13	-	-	2,371	2,371	-
<b>Net movement in funds</b>		-	26,507	4,393	30,900	10,443
<b>Reconciliation of funds</b>						
Total funds brought forward		-	(25,011)	53,522	28,511	18,068
Total funds carried forward		-	1,496	57,915	59,411	28,511

# BRIGHT FUTURES EDUCATIONAL TRUST

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Comparative year information Year ended 31 August 2021	Notes	Unrestricted funds £000's	Restricted funds: General £000's	Fixed asset £000's	Total 2021 £000's
<b>Income and endowments from:</b>					
Donations and capital grants	3	-	89	2,454	2,543
Donations - transfer of existing academy into the trust		150	(4,224)	18,968	14,894
<b>Charitable activities:</b>					
- Funding for educational operations	4	-	39,313	-	39,313
- Teaching schools		-	2,803	-	2,803
Other trading activities	5	264	177	-	441
Investments	6	-	8	-	8
<b>Total</b>		<u>414</u>	<u>38,166</u>	<u>21,422</u>	<u>60,002</u>
<b>Expenditure on:</b>					
<b>Charitable activities:</b>					
- Educational operations	9	414	39,917	1,412	41,743
- Teaching schools		-	2,697	-	2,697
<b>Total</b>	7	<u>414</u>	<u>42,614</u>	<u>1,412</u>	<u>44,440</u>
<b>Net income/(expenditure)</b>		-	(4,448)	20,010	15,562
Transfers between funds	18	-	(305)	305	-
<b>Other recognised gains/(losses)</b>					
Actuarial losses on defined benefit pension schemes	20	-	(5,119)	-	(5,119)
<b>Net movement in funds</b>		-	(9,872)	20,315	10,443
<b>Reconciliation of funds</b>					
Total funds brought forward		-	(15,139)	33,207	18,068
Total funds carried forward		-	(25,011)	53,522	28,511



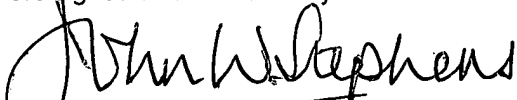
# BRIGHT FUTURES EDUCATIONAL TRUST

## BALANCE SHEET

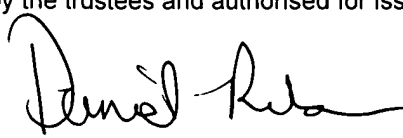
AS AT 31 AUGUST 2022

		2022	2021
	Notes	£000's	£000's
<b>Fixed assets</b>			
Tangible assets	13	57,915	53,522
<b>Current assets</b>			
Debtors	14	2,225	1,625
Cash at bank and in hand		9,550	10,513
		11,775	12,138
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	15	(6,186)	(5,318)
<b>Net current assets</b>		5,589	6,820
<b>Total assets less current liabilities</b>		63,504	60,342
Creditors: amounts falling due after more than one year	16	(2,696)	(3,450)
<b>Net assets before defined benefit pension scheme liability</b>		60,808	56,892
Defined benefit pension scheme liability	20	(1,397)	(28,381)
<b>Total net assets</b>		59,411	28,511
<b>Funds of the academy trust:</b>			
<b>Restricted funds</b>	18		
- Fixed asset funds		57,915	53,522
- Restricted income funds		2,893	3,370
- Pension reserve		(1,397)	(28,381)
<b>Total restricted funds</b>		59,411	28,511
<b>Unrestricted income funds</b>	18	-	-
<b>Total funds</b>		59,411	28,511

The accounts on pages 29 to 54 were approved by the trustees and authorised for issue on 12 December 2022 and are signed on their behalf by:



Dr J W Stephens CBE  
Accounting Officer



D Rubin  
Chair of the Board

Company registration number 07695771

# BRIGHT FUTURES EDUCATIONAL TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	2022 £000's	2021 £000's
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	21	242	2,857
Cash funds transferred on conversion		-	908
		<u>242</u>	<u>3,765</u>
<b>Cash flows from investing activities</b>			
Dividends, interest and rents from investments		18	8
Capital grants from DfE Group		1,994	2,454
Capital funding received from sponsors and others		473	-
Purchase of tangible fixed assets		<u>(3,685)</u>	<u>(2,760)</u>
<b>Net cash used in investing activities</b>		(1,200)	(298)
<b>Cash flows from financing activities</b>			
Repayment of long term bank loan		<u>(5)</u>	<u>(5)</u>
<b>Net cash used in financing activities</b>		(5)	(5)
<b>Net (decrease)/increase in cash and cash equivalents in the reporting period</b>		(963)	3,462
Cash and cash equivalents at beginning of the year		<u>10,513</u>	<u>7,051</u>
<b>Cash and cash equivalents at end of the year</b>		<u><u>9,550</u></u>	<u><u>10,513</u></u>

# BRIGHT FUTURES EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### 1 Accounting policies

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

##### 1.1 Basis of preparation

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 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

##### 1.2 Going concern

The trustees assess whether the use of going concern is appropriate, 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.

##### 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.

# BRIGHT FUTURES EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

---

### 1 Accounting policies

(Continued)

#### 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.

# BRIGHT FUTURES EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 1 Accounting policies

(Continued)

#### 1.5 Tangible fixed assets and depreciation

Tangible fixed assets acquired since the trust was established are stated at historical costs less accumulated depreciation and any accumulated impairment losses.

In the case of fixed assets transferred from predecessor schools these are treated as acquired at fair value, calculated by reference to either:

- net book value at date of transfer: or
- in the absence of reliable net book value data, an estimate of fair value calculated by reference to an assumed value of fixed assets as compared to the pupil roll.

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

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

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

Land and buildings	50 years straight line
Plant and machinery	10 years straight line
Computer equipment	3 years straight line
Fixtures, fittings & equipment	10 years straight line
Motor vehicles	4 years straight line

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

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

#### 1.6 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.

# BRIGHT FUTURES EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

---

### 1 Accounting policies

(Continued)

#### 1.7 Provisions

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

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

#### 1.8 Leased assets

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

#### 1.9 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.

#### 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 so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit 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.

# BRIGHT FUTURES EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

---

### 1 Accounting policies

(Continued)

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

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

#### 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 funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education and Skills Funding Agency.

#### 1.13 Agency Arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received and paid and any balance held are disclosed in note 27.

#### 1.14 PFI agreement

The Academy occupies buildings which are owned by Blackpool Council and utilised by the Academy under a PFI agreement. The Academy pays revenue contributions in respect of the facilities management and buildings use. The contract will expire in the year 2042. The Academy does not have any rights or obligations of ownership in respect of these assets and therefore they are not included on the Academy's balance sheet. The revenue payment is recognised in the SOFA. Where the Academy procures and pays for additional furniture or equipment or changes to the building, the costs are capitalised and depreciated in accordance with the tangible fixed assets policy.

### 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.

# BRIGHT FUTURES EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 2 Critical accounting estimates and areas of judgement

(Continued)

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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. 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.

The ultimate responsibility for setting the assumptions is that of the Academy Trust, as the employer, however each year the LGPS actuary proposes a standard set of assumptions as part of the valuation exercise, using their expert opinion, and which comply with the accounting requirements. The Academy Trust has, in practice with most employers, adopted the recommended actuarial assumptions following further consultation with its auditors to ensure these assumptions are reasonable and in line with those adopted by other academy trusts.

The key assumption is the discount rate, which is the estimated rate of long-term investment returns. This year the discount rate of 4.3% is considerably higher than the rate of 1.7% used in 2021. Since a higher discount rate means assets will grow more rapidly in the future, this results in lower current liabilities. This is the key driver for the reduction in the carried LGPS deficit from £28.4m to £1.4m during the year.

#### 3 Donations and capital grants

	Unrestricted funds £000's	Restricted funds £000's	Total 2022 £000's	Total 2021 £000's
Private sponsorship	-	284	284	89
Capital grants	-	2,467	2,467	2,454
	-	2,751	2,751	2,543



# BRIGHT FUTURES EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 4 Funding for the academy trust's educational operations

	Unrestricted funds £000's	Restricted funds £000's	Total 2022 £000's	Total 2021 £000's
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	34,967	34,967	29,746
Other DfE / ESFA grants:				
Pupil premium	-	2,449	2,449	2,148
Others	-	1,281	1,281	2,208
	-	38,697	38,697	34,102
<b>Other government grants</b>				
Local authority grants	-	5,558	5,558	4,632
Special educational projects	-	5	5	-
	-	5,563	5,563	4,632
<b>Covid-19 additional funding</b>				
Coronavirus exceptional support	-	34	34	99
Other Coronavirus funding	-	316	316	480
	-	350	350	579
Teaching schools income	-	2,754	2,754	2,803
<b>Total funding</b>	-	47,364	47,364	42,116

The Trust received £398k of funding for catch-up premium and £30k for mass testing. Costs incurred in respect of this funding totalled £536k, with the remaining £65k (2021: £191k) to be spent in 2022-23.

### 5 Other trading activities

	Unrestricted funds £000's	Restricted funds £000's	Total 2022 £000's	Total 2021 £000's
Hire of facilities	72	-	72	37
Catering income	-	194	194	68
Other income	385	315	700	336
	457	509	966	441

# BRIGHT FUTURES EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 6 Investment income

	Unrestricted funds £000's	Restricted funds £000's	Total 2022 £000's	Total 2021 £000's
Short term deposits	-	18	18	8

### 7 Expenditure

	Staff costs £000's	Non-pay expenditure Premises £000's	Other £000's	Total 2022 £000's	Total 2021 £000's
Academy's educational operations					
- Direct costs	29,702	-	2,974	32,676	28,198
- Allocated support costs	9,265	5,177	3,733	18,175	13,545
Teaching schools					
- Direct costs	515	-	1,422	1,937	2,376
- Allocated support costs	446	18	153	617	321
	39,928	5,195	8,282	53,405	44,440

Net income/(expenditure) for the year includes:

	2022 £000's	2021 £000's
Fees payable to auditor for:		
- Audit	39	36
- Other services	15	30
Operating lease rentals	26	19
Depreciation of tangible fixed assets	1,663	1,412
Net interest on defined benefit pension liability	501	339

### 8 Central services

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

- human resources co-ordination and casework
- financial services via hub managers
- IT Services
- Facilities and estates via hub managers

The academy trust charges for these services on a flat 4% of GAG income.

# BRIGHT FUTURES EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 8 Central services

(Continued)

The amounts charged during the year were as follows:

	2022 £000's	2021 £000's
Altrincham Grammar School for Girls	284	267
Cedar Mount Academy	264	252
Marton Primary Academy and Nursery	60	49
Melland High School	72	72
Rushbrook Primary Academy	114	117
South Shore Academy	208	191
Stanley Grove Primary Academy	129	123
Acre Hall Primary School	59	28
Barton Clough Primary School	39	19
Elmridge Primary School	36	16
Lime Tree Primary Academy	75	36
The Orchards	41	18
Development Network	92	-
	<u>1,473</u>	<u>1,188</u>

### 9 Charitable activities

	Unrestricted funds £000's	Restricted funds £000's	Total 2022 £000's	Total 2021 £000's
<b>Direct costs</b>				
Educational operations	457	32,219	32,676	28,198
Teaching schools	-	1,937	1,937	2,376
<b>Support costs</b>				
Educational operations	-	18,175	18,175	13,545
Teaching schools	-	617	617	321
	<u>457</u>	<u>52,948</u>	<u>53,405</u>	<u>44,440</u>

	Teaching schools £000's	Educational operations £000's	Total 2022 £000's	Total 2021 £000's
<b>Analysis of support costs</b>				
Support staff costs	446	9,411	9,857	6,981
Depreciation	-	1,663	1,663	1,412
Technology costs	21	541	562	478
Premises costs	18	3,514	3,532	2,494
Legal costs	-	86	86	64
Other support costs	129	2,884	3,013	2,371
Governance costs	3	76	79	66
	<u>617</u>	<u>18,175</u>	<u>18,792</u>	<u>13,866</u>

# BRIGHT FUTURES EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 10 Staff

#### Staff costs

Staff costs during the year were:

	2022 £000's	2021 £000's
Wages and salaries	26,932	23,508
Social security costs	2,690	2,278
Pension costs	9,198	7,101
Staff costs - employees	38,820	32,887
Agency staff costs	1,077	478
Staff restructuring costs	31	9
	39,928	33,374
Staff development and other staff costs	462	283
Total staff expenditure	40,390	33,657

Staff restructuring costs comprise:

Redundancy payments	22	7
Severance payments	9	2
	31	9

#### Severance payments

The academy trust paid 1 severance payments in the year, disclosed in the following bands:

0 - £25,000	1
-------------	---

#### Staff numbers

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

	2022 Number	2021 Number
Teachers	325	336
Administration and support	394	401
Management	76	58
	795	795

# BRIGHT FUTURES EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 10 Staff

(Continued)

#### Higher paid staff

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

	2022 Number	2021 Number
£60,001 to £70,000	20	13
£70,001 to £80,000	7	4
£80,001 to £90,000	2	5
£90,001 to £100,000	5	2
£100,001 to £110,000	2	3
£110,001 to £120,000	2	1
£140,001 to £150,000	1	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 £743,993 (2021: £716,603).

### 11 Trustees' remuneration and expenses

One or more of the 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.

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

Dr J W Stephens CBE (CEO and trustee) £140,001 - £150,000 (2021: £140,001 - £150,000)

The value of trustees' employers pension contributions was as follows:

Dr J W Stephens CBE (CEO and trustee) £20,001 - £30,000 (2021: £20,001 - £30,000)

Other related party transactions involving the trustees are set out within the related parties note.

### 12 Trustees' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £2,000,000 on any one claim. The cost for the year ended 31 August 2022 was included within the combined insurance policy and has not been specified separately.

# BRIGHT FUTURES EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 13 Tangible fixed assets

	Land and buildings	Assets under construction	Computer equipment	Fixtures, fittings & equipment	Total
	£000's	£000's	£000's	£000's	£000's
<b>Cost</b>					
At 1 September 2021	57,208	1,927	2,441	3,562	65,138
Additions	526	2,861	140	158	3,685
Revaluation	2,371	-	-	-	2,371
At 31 August 2022	60,105	4,788	2,581	3,720	71,194
<b>Depreciation</b>					
At 1 September 2021	8,238	-	1,977	1,401	11,616
Charge for the year	1,039	-	300	324	1,663
At 31 August 2022	9,277	-	2,277	1,725	13,279
<b>Net book value</b>					
At 31 August 2022	50,828	4,788	304	1,995	57,915
At 31 August 2021	48,970	1,927	464	2,161	53,522

The property transferred into Bright Futures from The Dunham Trust was transferred at book value in 2021. The property valuations were not available as at the 2021 year end and were received in the current year. An adjustment to valuation has been recognised in the current year to reflect the fair value on transfer, based on professional valuations carried out by Montagu Evans.

### 14 Debtors

	2022 £000's	2021 £000's
Trade debtors	291	146
Other debtors	439	340
Prepayments and accrued income	1,495	1,139
	2,225	1,625

# BRIGHT FUTURES EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

15 Creditors: amounts falling due within one year	2022 £000's	2021 £000's
Government loans	2	5
Trade creditors	1,201	1,061
ESFA creditors	752	752
Other creditors	241	195
Accruals and deferred income	3,990	3,305
	<u>6,186</u>	<u>5,318</u>

Government loans represents an interest free loan of £2,353 (2021: £4,706) from Salix, this amount represents one repayment of an initial £37,640 loan, repayable in biannual instalments of £2,353.

The ESFA creditor is being repaid over an 8 year period from 1 April 2019.

16 Creditors: amounts falling due after more than one year	2022 £000's	2021 £000's
Government loans	-	2
ESFA Creditor over 1 year	2,696	3,448
	<u>2,696</u>	<u>3,450</u>
<b>Analysis of loans</b>		
Wholly repayable within five years	2	7
Less: included in current liabilities	(2)	(5)
	<u>-</u>	<u>2</u>
Amounts included above	<u>-</u>	<u>2</u>
<b>Loan maturity</b>		
Debt due in one year or less	2	5
Due in more than one year but not more than two years	-	2
	<u>2</u>	<u>7</u>

Government loans represents an interest free loan of £nil (2021: £2,000) from Salix, this amount represents repayments of an initial £37,640 loan, repayable in biannual instalments of £2,353.

The ESFA creditor is being repaid over an 8 year period from 1 April 2019.

# BRIGHT FUTURES EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 17 Deferred income

	2022 £000's	2021 £000's
Deferred income is included within:		
Creditors due within one year	2,442	2,473
	<u>2,442</u>	<u>2,473</u>
Deferred income at 1 September 2021	2,473	1,237
Released from previous years	(2,473)	(1,237)
Resources deferred in the year	2,442	2,473
	<u>2,442</u>	<u>2,473</u>
<b>Deferred income at 31 August 2022</b>	<b>2,442</b>	<b>2,473</b>

Included within deferred income at the balance sheet date are funds received in advance for School Capital Funding of £1,228,000, £187,000 in relation to the Teaching School and Maths Hub, £169,000 in relation to UIFSM, £65,000 in relation to Covid Grants, £381,000 in relation to Supplementary Grants, £70,000 in relation to Rates Relief and £342,000 in relation to various other income sources.

### 18 Funds

	Balance at 1 September 2021 £000's	Income £000's	Expenditure £000's	Gains, losses and transfers £000's	Balance at 31 August 2022 £000's
<b>Restricted general funds</b>					
General Annual Grant (GAG)	3,002	34,967	(34,426)	(1,218)	2,325
Other DfE / ESFA grants	-	3,730	(3,730)	-	-
Other government grants	-	5,913	(5,913)	-	-
Teaching schools	368	2,754	(2,554)	-	568
Other restricted funds	-	811	(811)	-	-
Pension reserve	(28,381)	-	(3,851)	30,835	(1,397)
	<u>(25,011)</u>	<u>48,175</u>	<u>(51,285)</u>	<u>29,617</u>	<u>1,496</u>
<b>Restricted fixed asset funds</b>					
DfE group capital grants	53,522	2,467	(1,663)	3,589	57,915
	<u>53,522</u>	<u>2,467</u>	<u>(1,663)</u>	<u>3,589</u>	<u>57,915</u>
<b>Total restricted funds</b>	<b>28,511</b>	<b>50,642</b>	<b>(52,948)</b>	<b>33,206</b>	<b>59,411</b>
	<u>28,511</u>	<u>50,642</u>	<u>(52,948)</u>	<u>33,206</u>	<u>59,411</u>
<b>Unrestricted funds</b>					
General funds	-	457	(457)	-	-
	<u>-</u>	<u>457</u>	<u>(457)</u>	<u>-</u>	<u>-</u>
<b>Total funds</b>	<b>28,511</b>	<b>51,099</b>	<b>(53,405)</b>	<b>33,206</b>	<b>59,411</b>
	<u>28,511</u>	<u>51,099</u>	<u>(53,405)</u>	<u>33,206</u>	<u>59,411</u>



# BRIGHT FUTURES EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 18 Funds

(Continued)

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

- (i) General Annual Grant (GAG) must be used for the normal running costs of the academy.
- (ii) The other DfE/ESFA grants fund is used to track grants provided by local and central government departments.
- (iii) The other restricted funds tracks grants, donations and other income arising from sources other than grants provided by central and local government departments.
- (iv) The pensions reserve is a restricted fund to account for the liability arising under the Local Government Pension Scheme.
- (v) The restricted fixed asset funds are carried forward to meet the specific costs of fixed asset projects and to cover the depreciation charges that will be required on these projects going forward as well as the current fixed assets held.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2022.

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

	Balance at 1 September 2020 £000's	Income £000's	Expenditure £000's	Gains, losses and transfers £000's	Balance at 31 August 2021 £000's
<b>Restricted general funds</b>					
General Annual Grant (GAG)	672	30,361	(27,726)	(305)	3,002
Other DfE / ESFA grants	-	4,356	(4,356)	-	-
Other government grants	-	5,211	(5,211)	-	-
Teaching schools	262	2,803	(2,697)	-	368
Other restricted funds	-	274	(274)	-	-
Pension reserve	(16,073)	(4,839)	(2,350)	(5,119)	(28,381)
	<u>(15,139)</u>	<u>38,166</u>	<u>(42,614)</u>	<u>(5,424)</u>	<u>(25,011)</u>
<b>Restricted fixed asset funds</b>					
DfE group capital grants	33,207	21,422	(1,412)	305	53,522
	<u>33,207</u>	<u>21,422</u>	<u>(1,412)</u>	<u>305</u>	<u>53,522</u>
<b>Total restricted funds</b>	<u>18,068</u>	<u>59,588</u>	<u>(44,026)</u>	<u>(5,119)</u>	<u>28,511</u>
<b>Unrestricted funds</b>					
General funds	-	414	(414)	-	-
	<u>-</u>	<u>414</u>	<u>(414)</u>	<u>-</u>	<u>-</u>
<b>Total funds</b>	<u>18,068</u>	<u>60,002</u>	<u>(44,440)</u>	<u>(5,119)</u>	<u>28,511</u>

# BRIGHT FUTURES EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 18 Funds

(Continued)

#### Total funds analysis by academy

	2022 £000's	2021 £000's
Fund balances at 31 August 2022 were allocated as follows:		
Trust consolidated reserve	8,106	8,583
Historical deficit reserves	(5,213)	(5,213)
Total before fixed assets fund and pension reserve	2,893	3,370
Restricted fixed asset fund	57,915	53,522
Pension reserve	(1,397)	(28,381)
Total funds	59,411	28,511

The Trust has elected to pool its reserves at trust level and therefore no longer shows reserves per individual academy.

#### Total cost analysis by academy

The academy trust now operates by pooling its reserves and managing them at trust level. Accordingly, no analysis of expenditure by individual academy would be meaningful to present here.

### 19 Analysis of net assets between funds

	Unrestricted Funds £000's	Restricted funds: General £000's	Fixed asset £000's	Total Funds £000's
Fund balances at 31 August 2022 are represented by:				
Tangible fixed assets	-	-	57,915	57,915
Current assets	-	11,775	-	11,775
Current liabilities	-	(6,186)	-	(6,186)
Non-current liabilities	-	(2,696)	-	(2,696)
Pension scheme liability	-	(1,397)	-	(1,397)
Total net assets	-	1,496	57,915	59,411

# BRIGHT FUTURES EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 19 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £000's	Restricted funds: General £000's	Fixed asset £000's	Total Funds £000's
<b>Fund balances at 31 August 2021 are represented by:</b>				
Tangible fixed assets	-	-	53,522	53,522
Current assets	-	12,138	-	12,138
Current liabilities	-	(5,318)	-	(5,318)
Non-current liabilities	-	(3,450)	-	(3,450)
Pension scheme liability	-	(28,381)	-	(28,381)
<b>Total net assets</b>	-	(25,011)	53,522	28,511

### 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 the Lancashire County Pension Fund and the Greater Manchester Pension Fund. The actuary for the Lancashire County Pension Fund is Mercer and the Greater Manchester Pension Fund is Hymans Robertson. Both schemes are multi-employer 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 that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £41,516 (2021: £50,866) were payable to the schemes at 31 August 2022 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 teachers in academy trusts. All teachers have the option to opt out of the TPS following enrolment.

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

##### Valuation of the Teachers' Pension Scheme

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

# BRIGHT FUTURES EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 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 2024.

The employer's pension costs paid to the TPS in the period amounted to £3,975,000 (2021: £3,558,000).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The 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 Trust currently has 2 schemes in operation, one with Greater Manchester Pension Fund, covering the following schools; Altrincham Girls Grammar School, Melland High School, Stanley Grove Primary Academy, Cedar Mount Academy, Rushbrook Primary Academy, Acre Hall Primary School, Barton Clough Primary School, Elmridge Primary School, Lime Tree Primary Academy and The Orchards. The second scheme is with Lancashire County Pension Fund and includes South Shore Academy, Marton Primary Academy and Nursery and Bright Futures Educational Trust.

The total contributions are as noted below. The contributions per Fund are as follows:

Greater Manchester Pension Fund - employer's contributions £1,638,000 (2021: £1,527,000), employee's contributions £495,000 (2021: £447,000).

Lancashire County Pension Fund - employer's contributions £364,000 (2021: £356,000), employee's contributions £95,000 (2021: £79,000).

The agreed contribution rates for future years are % for employers and % for employees.

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

Total contributions made	2022 £000's	2021 £000's
Employer's contributions	2,002	1,883
Employees' contributions	590	526
Total contributions	2,592	2,409

# BRIGHT FUTURES EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 20 Pension and similar obligations

(Continued)

Principal actuarial assumptions	2022 %	2021 %
Rate of increase in salaries	3.8 - 4.3	3.7 - 4.3
Rate of increase for pensions in payment/inflation	2.9 - 3.1	2.9
Discount rate for scheme liabilities	4.3	1.7
Inflation assumption (CPI)	2.8	2.8

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

	2022 Years	2021 Years
Retiring today		
- Males	20.3 - 22.3	20.5 - 22.4
- Females	23.2 - 25	23.3 - 25.1
Retiring in 20 years		
- Males	21.6 - 23.7	21.9 - 23.9
- Females	25.1 - 26.8	25.3 - 26.9

#### Sensitivity analysis

Scheme liabilities would have been affected by changes in assumptions as follows:

	2022 £'000	2021 £'000
Discount rate - 0.1%	193	303
Mortality assumption + 1 year	233	267
CPI rate + 0.1%	187	292

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

	2022 Fair value £000's	2021 Fair value £000's
Equities	24,426	23,400
Bonds	4,724	4,740
Cash	2,658	2,497
Property	3,398	2,198
Other assets	1,609	1,215
Total market value of assets	36,815	34,050

The actual return on scheme assets was £707,000 (2021: £4,701,000).

# BRIGHT FUTURES EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 20 Pension and similar obligations

(Continued)

Amount recognised in the statement of financial activities	2022 £000's	2021 £000's
Current service cost	5,296	3,894
Past service cost	56	-
Interest income	(572)	(419)
Interest cost	1,073	758
Total operating charge	5,853	4,233

Changes in the present value of defined benefit obligations	2022 £000's
At 1 September 2021	62,431
Current service cost	5,296
Interest cost	1,073
Employee contributions	590
Actuarial (gain)/loss	(30,700)
Benefits paid	(534)
Past service cost	56
At 31 August 2022	38,212

Changes in the fair value of the academy trust's share of scheme assets	2022 £000's
At 1 September 2021	34,050
Interest income	572
Actuarial gain	135
Employer contributions	2,002
Employee contributions	590
Benefits paid	(534)
At 31 August 2022	36,815

# BRIGHT FUTURES EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 21 Reconciliation of net (expenditure)/income to net cash flow from operating activities

	Notes	2022 £000's	2021 £000's
Net (expenditure)/income for the reporting period (as per the statement of financial activities)		(2,306)	15,562
Adjusted for:			
Net surplus on transfer of academy in the trust		-	(14,894)
Capital grants from DfE and other capital income		(2,467)	(2,454)
Investment income receivable	6	(18)	(8)
Defined benefit pension costs less contributions payable	20	3,350	2,011
Defined benefit pension scheme finance cost	20	501	339
Depreciation of tangible fixed assets		1,663	1,412
(Increase)/decrease in debtors		(600)	41
Increase in creditors		119	991
Stocks, debtors and creditors transferred on conversion		-	(143)
<b>Net cash provided by operating activities</b>		<b>242</b>	<b>2,857</b>

### 22 Analysis of changes in net funds

	1 September 2021 £000's	Cash flows £000's	31 August 2022 £000's
Cash	10,513	(963)	9,550
Loans falling due within one year	(5)	3	(2)
Loans falling due after more than one year	(2)	2	-
	<b>10,506</b>	<b>(958)</b>	<b>9,548</b>

### 23 Long-term commitments

#### Operating leases

At 31 August 2022 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2022 £000's	2021 £000's
Amounts due within one year	152	153
Amounts due in two and five years	469	441
Amounts due after five years	1,429	1,531
	<b>2,050</b>	<b>2,125</b>

The Academy has a commitment to make a unitary payment to Blackpool Council under a PFI contract which commenced on 1 September 2017. The annual commitment for the year was £86k, although the final charge was significantly lower due to a rebate as a result of issues with the building. The contract is until 31 August 2042 and the annual unitary charges increase with inflation.

# BRIGHT FUTURES EDUCATIONAL TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 24 Capital commitments

	2022 £000's	2021 £000's
Expenditure contracted for but not provided in the accounts	7,587	1,329

### 25 Related party transactions

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the academy trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures. The following related party transaction took place in the accounting period.

Challenge Partners - a Trustee of the company is also a Bright Futures Executive.

- The Trust purchased educational resources totalling £7,092 (2021: £3,546) and had income totalling £1,250 (2021: £2,319) for room hire and courses provided by the North West hub. There is a balance of £700 (2021: £nil) owed to the trust at year end.

ESSA Academy - a Member of ESSA Academy is also a Member at Bright Futures.

- The Trust had income totalling £2,938 (2021: £5,125) for the provision of courses and had purchases totalling £3,915 (2021: £580). There is a balance of £700 (2021: £nil) owed by the trust at year end.

### 26 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.

### 27 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2022 the trust received £12k (2021: £28k) and disbursed £14k (2021: £24k) from the fund, with the balance carried forward totalling £nil (2021: £2k).