

Company Registration Number: 08529006 (England & Wales)

IMPACT EDUCATION MULTI ACADEMY TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021



IMPACT EDUCATION MULTI ACADEMY TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Dr M Reddy Mr D Morgan Mr C Midgley (resigned 31 August 2021) Mrs R Hashmi (appointed 21 September 2020) Mrs N Winrow (appointed 29 October 2020) Mr A Fisher (appointed 18 August 2021)
Trustees	Dr M Reddy, Chair of Trustees Mr P Shire Mr S Rees Mr J Eccleston Ms L Broadley Mrs C McDermott Mr A Lord Mrs J Kaye Mrs C Spencer (resigned 15 November 2021) Mr A Hunt (appointed 21 September 2020) Mr D Clarke (appointed 21 September 2020)
Company registered number	08529006
Company name	Impact Education Multi Academy Trust
Principal and registered office	First Floor, Unit 12 Longbow Close Pennine Business Park Huddersfield HD2 1GQ
Company secretary	Gary Hellawell (appointed 1 January 2021)
Chief executive officer	Mick Kay
Senior management team	Mr M Kay, CEO Mr G Hellawell, CFO Mr M Perry, Headteacher - The Halifax Academy Mr P Brook, Headteacher - Castle Hall Academy Mrs G Horner, Director of Primary Education (Appointed 01 September 2020, resigned 31 August 2021) Mr P Hannah, Headteacher - The Whitley AP Academy Mrs J Wood, Headteacher - Old Bank Academy Mrs L Heathcote, Headteacher, Warley Road Primary Academy (Appointed 01 September 2020) Mrs K Eastwood, Headteacher - Hill View Academy (Appointed 01 September 2020) Mr D Watkin, Headteacher - Newsome Academy (Appointed 01 March 2021)

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Independent auditors BHP LLP
New Chartford House
Centurion Way
Cleckheaton
BD19 3QB

Bankers Lloyds Bank plc
PO Box 1000
BX1 1LT

Solicitors Ward Hadaway
Sandgate House
102 Quayside
Newcastle upon Tyne
NE1 3DX

IMPACT EDUCATION MULTI ACADEMY TRUST

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TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

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

Impact Education Multi Academy Trust is a charitable trust with seven-member academies in the West Yorkshire area. The Halifax Academy, Warley Road Primary Academy and The Whitley AP Academy, all based in Calderdale and Castle Hall Academy, Old Bank Academy, The Newsome Academy, and Hill View Academy, all based in Kirklees. At the end of the accounting period, Impact Education Multi Academy Trust was providing education to approximately 3,650 students.

During the accounting period the trust continued to occupy head offices at Pennine Business Park, Bradley, Huddersfield, Kirklees.

Structure, governance and management***a. Constitution***

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

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

The trustees of Impact Education Multi Academy Trust are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Impact Education Multi Academy 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.

The principal objects and activities of the trust is to advance education for the public benefit.

b. Members' liability

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

c. Trustees' indemnities

During the accounting period, the trustees have been indemnified in respect of their legal liability for financial loss arising as a result of a negligent act, accidental error or omission in the course of their official duties.

The limit of this indemnity is £5,000,000.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of trustees

The management of the academy trust is the responsibility of the trustees who are elected and co-opted under the terms of the Memorandum of Association. The number of trustees shall not be less than three but is not subject to any maximum. The members by ordinary resolution can appoint up to five of the trustees.

The trustees may appoint Co-opted Trustees. A 'Co-opted Trustee' means a person who is appointed to be a trustee by being Co-opted by trustees who have not themselves been so appointed.

The trustees may not co-opt an employee of the academy trust as a Co-opted Trustee if thereby the number of trustees who are employees of the academy trust would exceed one third of the total number of trustees including the Chief Executive Officer to the extent he or she is a trustee.

Each trustee serves a four-year term of office and can be re-appointed. An annual analysis of trustees' skills is conducted. This helps identify skills gaps. Where gaps cannot be closed via training and development, a recruitment process begins to identify a new trustee to strengthen that area. Recruitment is led by the chair of the trust and the CEO. Partners such as Academy Ambassadors are used to find potential trustees. Candidates apply and then are interviewed for the role. Recommendations are made to the trust board. A full induction for successful candidates follows.

e. Policies adopted for the induction and training of trustees

An annual analysis of trustees' skills is conducted in the Autumn Term and forms the basis of each trustee's personal training plan. The training and induction provided for new trustees will depend on their existing experience. Where necessary induction will provide training on charity, educational, legal and financial matters. New and existing trustees are encouraged to read the library of governance documentation held on Governor Hub - Impact Education MAT Essential Reading - and as a minimum:

- Governance Handbook, Academy Trusts and maintained schools, October 2020
- Code of conduct for governance (last updated September 2021)
- Charity Commission: CC3 - The Essential Trustee; CC8 - Internal Financial Controls; CC26 - Charities and Risk Management.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

f. Organisational structure

The Members of the company define the Object, Purpose and Ethos of the Company, and can direct the trust board where required to ensure those elements are met.

The trustees (directors), who form the trust board, have overall responsibility and ultimate decision making authority for all the work of the company, including establishing and running of schools and in particular each academy as a school. This is largely exercised through strategic planning and the setting of policy, holding the executive team to account and the oversight of financial control. It is managed through business planning, monitoring of budgets, performance appraisal, the setting and monitoring of standards and the implementation of quality assurance processes. In this work, the Board is aided by the Finance, Risk and Audit Committee, and from 1 September 2021, a Quality of Education Committee.

The trustees delegate their responsibilities for the day-to-day oversight of each academy to a Local Governing Body (LGB) through a Scheme of Delegation (the Scheme). The headteacher of each academy is an ex officio member of the LGB.

Delegated responsibilities, including financial expenditure limits, are determined by trustees at the Annual General Meeting which takes place at the start of each year. The CEO is the trust Accounting Officer.

The Senior Leadership Team (SLT) control each academy at an executive level, implementing the policies laid down by trustees, and reporting back to them, both via the LGB, the CEO, the Headteacher Strategy Group and directly where appropriate. SLT have line management responsibility for middle leaders who in turn are charged with managing the operations, activities, progress and performance of their department. SLT are responsible for the appointment of staff who directly or indirectly report to them through the management structure.

During the accounting period the trust consisted of the following academies:

Academy	Phase	Route	Joined Trust	Last Ofsted
The Halifax Academy	All through	Convertor	1 Nov 2013	Good – Sep 2017
Castle Hall Academy	Secondary	Sponsor	1 Sep 2018	Inadequate – Nov 2016
Warley Road Primary Academy	Primary	Convertor	1 Mar 2019	Good – Nov 2017
The Whitley AP Academy	Alternative Provision	Convertor	1 Aug 2019	Good – June 2017
Old Bank Academy	Primary	Sponsor	1 Apr 2020	Inadequate – March 2019
Hill View Academy	Primary	Sponsor	1 Sep 2020	Inadequate – Dec 2018
Newsome Academy	Secondary	Sponsor	1 Mar 2021	Inadequate – Nov 2018

Note: Hill view is a new academy. Its predecessor school was Almondbury Community School, an all through school. At the point of sponsorship, the secondary phase of the school was closed by Kirklees Council and the trust sponsored the primary phase to create a new academy.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

g. Arrangements for setting pay and remuneration of key management personnel

Setting pay for all staff is determined by applying the trust's Pay Policy. This policy is reviewed annually and approved by the trust board, and a pay committee is elected from trustees to oversee the application of the policy. The pay committee meets annually in Autumn Term to determine the pay of the CEO and headteachers, a process which is informed by an independent expert appointed by trustees and who has considerable experience in the setting of chief executive and headteachers' pay.

The CEO makes recommendations as to the determination of pay for headteachers and central team staff, which is reviewed and approved by the remuneration committee.

Headteachers make recommendations as to the determination of pay for all other staff, except themselves, to the pay committee of each LGB.

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	4
Full-time equivalent employee number	4

Percentage of time spent on facility time

<i>Percentage of time</i>	<i>Number of employees</i>
0%	-
1%-50%	4
51%-99%	-
100%	-

<i>Percentage of pay bill spent on facility time</i>	<i>£000</i>	
Total cost of facility time	2	
Total pay bill	21,170	
Percentage of total pay bill spent on facility time	0.01	%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-	%
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

i. Related parties and other connected charities and organisations

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. No related party transactions took place in the financial period. The following related party transactions took place in the prior financial period, along with certain trustees' remuneration and expenses already disclosed in note 12.

Learn2Lead2Succeed Ltd supplied safeguarding audits at all the academies in the trust totalling £nil (2020 - £7k), and was a related party due to the shareholding and directorship held by P McDermott who served as a trustee of Impact Education Multi Academy Trust until his resignation on 31 August 2020.

All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

In the accounting period to 31 August 2021, no related party transactions took place.

j. Engagement with employees (including disabled persons)

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The academy trust carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the trustees.

The academy trust has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy
- Volunteers' policy
- Health & safety policy

In accordance with the academy trust's equal opportunities policy, the academy trust has long-established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the academy trust's offices.

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

The trust model for improvement prioritises quality, service, and value for money. In doing so, our children, staff and communities can benefit from the trust can offer. The trust has built and maintains a reputation for transparency and fair dealing with suppliers, customers, and others in a business relationship with the trust. This has continued throughout another academic year affected by the global pandemic and disruption to all sectors of activity.

The trust's relationships with stakeholders, including the Regional Schools Commissioner, Calderdale and Kirklees Councils, Department for Education, local MPs and Ward Councillors, is collaborative and transparent.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities

a. Objects and aims

The principle objects and activities of the Trust is to advance education for the public benefit.

Trust Mission

To improve social mobility for the disadvantaged and the life chances of children and young people.

Trust Vision

A trust where hearts and minds connect; values driven partners, working collaboratively to ensure education impacts positively on students, families, communities and staff.

Trust Aims

- a) To deliver outstanding outcomes for all students.
- b) To deliver excellence in teaching, learning, behaviour and curricula offer.
- c) To provide all students with life-enhancing opportunities to develop personally and to make a contribution to their communities and beyond.
- d) To develop highly effective leaders and governors, who are relentless in delivering sustainable successes for our students.
- e) To develop purposeful connections with parents and the communities we serve.
- f) To be an employer of choice.
- g) To develop highly effective and customer focused business and financial operations that support growth, manage risk, and deliver value for money.

The trust also aims to:

- Comply with all appropriate statutory and curriculum requirements.
- Provide value for money for the funds expended.
- Conduct its business in accordance with the highest standards of regularity and propriety.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities (continued)

b. Objectives, strategies and activities

To deliver our mission and achieve our aims, the trust's strategic activities for the academic year have been focused on alignment of existing and joining academies to recognise and embed:

Trust Core Principles

Values Driven - Impact academies are inclusive communities where hearts and minds connect. Each academy is built around a clear set of values which are focused on transforming the lives of our students and the communities we serve.

Collaborative Leadership - Impact academies provide clarity of vision which will enable us to develop shared goals with leaders feeling empowered to share their skills and knowledge for the benefit of the wider trust. Our leaders will inspire, motivate and lead with emotional intelligence.

Learning and Research Focused - Impact academies transform learning through high quality teaching, coaching and using what works best from research. Academies are on a journey of continuous improvement, whilst ensuring student and staff wellbeing is at the heart of our work.

Effective Relationships - Impact academies place the development of effective relationships at the heart of their work. How we connect with each other, the community, culture, our learning and the wider world is the foundation of everything we do. Our relationships are built on mutual respect, professional trust and challenge.

High Expectations - Impact academies have high expectations of all students. Ambitious academic and personal development targets are set to ensure each student makes outstanding progress. Academies reinforce positive attitudes to learning, reasoning, resilience, responsibility, reflection and respect are key learning characteristics cultivated in our academies.

Developmental Opportunities - Impact academies invest in the personal development of students and professional development of staff. Impact academies provide all students with opportunities to make a contribution to their communities and beyond.

The impact of the strategic alignment, acknowledging the different conversion dates, is noted in the following section.

c. Public benefit

In setting objectives and planning for activities, the trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

The key public benefit delivered by Impact Education Multi Academy Trust is the establishment and development of high-quality education provided by all its academies.

The trust offers a broad and balanced academic education and also aims to prepare young people for their next life stage by means of a comprehensive programme of extra-curricular activities, educational visits, community and business links.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities (continued)

Strategic report

Achievements and performance

a. Summary

Trustees and Local Governors are very proud of their colleagues at Impact. Trust Leaders and Operational Teams successfully developed brand new contextual operating models and processes that were implemented in September 2020, to ensure students and staff could all safely return to school and the classroom. They worked highly effectively in partnership with the relevant Local Authorities, Public Health Officials and community organisations to fulfil their statutory and civic responsibilities.

The Trust continued to be guided by the following principles in its operation in the accounting year as our academies reopened:

1. The obligation to ensure the safety of children, parents and staff;
2. A commitment to the welfare and wellbeing of children, parents and staff;
3. Approaching risk management in a calm, caring and consultative manner; and
4. Making measured and reasonable decisions on the basis of the evidence we have and within the unique contexts we face in our academies.

The use of 'bubbles' featured as a control measure across all settings to support the management of Covid. Individual classes, individual year groups and whole academy in the case of our AP, were classed as bubbles. In the main, these were effective, however, inevitable positive cases and subsequent contact tracing led to many bubble closures and a disruption to traditional teaching, learning and school operations.

Despite the unpredictability of the virus and national policy changes, trust colleagues responded to the daily challenges faced with resilience, dynamism, determination and care. After the initial chaos and disruption that Covid brought to the entire education system at the start of the pandemic, trust colleagues proactively used the opportunities to develop innovative ways of working whilst retaining a clear focus on the trust mission, vision, values and core principles.

Trustees are proud that the use of digital technology was significantly improved to ensure students and staff could switch between in-class and distance learning to minimise disruption. The Trust targeted the most vulnerable students, including disadvantaged learners and those with additional needs to ensure they had opportunity and support to access online learning. The Trust is proud of the connections each academy has strengthened with parents and carers, and the support put in place to help them to support their children with learning at home. The connections with existing and new community organisations have been developed during the accounting period. Partnerships within and outside of the education system has supported the trust's civic responsibilities to get help to those who need it most. These partnerships will continue to be cultivated and strengthened as a key priority for the trust.

Despite the challenges of the pandemic, the Trust was able to successfully skilfully rebrand and induct Hill View Academy 3-11 (previously Almondbury Community School 4-16) and Newsome Academy 11-16 (previously Newsome High School 11-16) into the Impact family of Academies. The Trust was able to secure £3.8m funding from the DFE and the Local Authority to deliver urgent capital works at Newsome that started in July 2020 and will end in August 2021. The Trust worked in partnership with the Local Authority to secure capital funding to remodel Hill View and secured agreement for the Trust to acquire additional land post conversion. The Trust continued to deliver its estates development strategy

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Achievements and performance (continued)

within the accounting period, making significant capital investments at all Trust Academies, with the aim of giving our students and staff the learning environment that they and our communities deserve.

Following the Trust's rapid expansion, a high-level strategic review was completed by the CEO with support of Trustees, which evaluated the current position, highlighting significant strengths, including the rate of improvement in sponsor academies and the continued good quality of provision in our converter academies. The review also highlighted the need to continue centralisation of key business operations and as well as clearly defining the Trust's operating model. To deliver this, a transitional strategic plan was developed and implemented in July 2021 and will be in place until August 2022, when the Trust will move onto a new three-year plan, secure in the knowledge that the operating model is effective and resilient for its current academies, and scalable for the next period of growth.

The Trust School Improvement Strategy was redefined during the year by the introduction of Improvements Team, led by Headteachers, who are empowered to work collaboratively to drive improvements through collective commitment. The School Improvement team was remodelled and capacity added both internally and externally to support sustainable improvement. Like 2020, there were no external tests or exams in 2021. Internal quality assurance, supported by external validation and Centre Assessed Grades continued to demonstrate the improvements made in all Impact Academies. To ensure Trustees have an even stronger focus on school improvement, a new Quality of Education Committee of the Trust Board was created and implemented from September 2021.

b. Key performance indicators

Educational Key Performance Indicators expected of all trust academies include:

- Academies will be judged to be on track to be or at least good by the next Ofsted inspection.
- Student progress to be in the top 20% nationally.
- Disadvantaged students will make at least the same progress as other students nationally.
- Attendance to be better than national averages.
- Exclusions to be below national averages.

Financial Key Performance Indicators set and monitored by trustees include:

- % of salaries expenditure to remain below 85% of total GAG income and below 80% of gross income.
- Quick Ratio of current assets less stock, over current liabilities, to be above 1.0.
- Reserves to be at least 5% of annual GAG.
- In-year balance to remain at or above budget forecast.
- Cumulative balance at each academy to be in surplus over years 1 and 2, with plans to address any deficits in years 3 or 4.
- Cash levels to be sufficient to meet financial obligations.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Achievements and performance (continued)

c. Promoting the success of the company

The likely consequence of any decision in the long term

The Trust makes all key decision through reference to its long-term strategic plan and after projecting the timing and impact of such decisions. This strategy is primarily designed around the objective to improve educational outcome for students but every decision and operational approach is regularly reviewed for its impact on all stakeholders and the need for any changes or modifications to decisions previously taken.

The interests of the company's employees

Our employees are vital to the Trust and we regard ongoing, regular engagement with them as a top priority. The Trust invests in an employee benefits platform that helps engage, reward and protect our employees. The aims to empower, support and connect with our employees via a diverse range of solutions designed to make them feel valued and recognised. We measure employee engagement through regular feedback and joint communication sessions. We address any issues raised by our employees as quickly as possible and communicate back to them what we have done. All staff are offered access to a number of well-being support services and the Trust seeks to ensure that staff welfare is actively considered and addressed. Through our health and safety policies as well as through local governing bodies, we also actively seek to ensure that the working environment meets due high standards of safety and security.

The need to foster the company's business relationships with suppliers, customers, and others

Our relationships with partners and suppliers are key to our effectiveness. The Trust actively seeks to engage in service reviews with all key suppliers. These reviews are focussed on a two-way relationship with the Trust based with an aim of helping one another to achieve an optimum service as efficiently as possible and according to the best value for money. Where the Trust has procured outsourced services, we seek to ensure that staff and management from that contractor are supported as an equal member of the trust community and stakeholders.

The impact of the company's operations on the community and the environment

We recognise our responsibility to care for the environment and aim to minimise our environmental impact in all our activities. As well as covering environmental issues in our school curriculum, the Trust encourages all staff and students to participate in initiatives to reduce negative environmental impacts. These include the promotion of recycling of waste, actions to maximise efficiency in energy consumption and activities to reduce food waste.

The desirability of the company maintaining a reputation for high standards of business conduct

Our reputation and public Trust in its constituent schools is fundamental to our future success. We use our organisational values and behaviours in our recruitment and training for our employees to ensure that we maintain high standards, and these are used in our appraisal processes. Our procurement and ethical policies and procedures ensure that our values are also part of our selection of partners and suppliers.

The need to act fairly as between members of the company

In terms of members of the academy Trust, fairness in our dealings is upheld through having a clear and well communicated strategy, and financial discipline backed by strong internal controls. We have transparent reporting at

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Achievements and performance (continued)

regular intervals through the year, continual access to senior leaders and a track record of successful growth through new school joiners which have been appropriately integrated into the Trust. We aim to be a fully inclusive organisation and we will not unfairly discriminate against our students, staff or any other member of our community and stakeholders.

d. Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

Financial review

a. Financial performance and in-year balance

The principal financial objective of the trust in 2020/21 was to achieve its budget performance target set at the start of the year, and stay within the overall framework of its four-year budget plan. In addition to the provision of education, this included providing for the addition of two new academies, the strategic move towards centralised services, the use of School Condition Allowance grant (SCA) for the lifecycle maintenance of its estates, and contingency to deal with the challenges brought by the pandemic.

Excluding land and pension adjustments, and the surplus brought forward by the two converting academies, the trust made an operating surplus of income over expenditure (I/E) of £963k, against a budget set at a surplus of £357K. The budget surplus was, ultimately, increased by additional DfE grant and reduced activity and expense in the schools, both due to the pandemic.

During the accounting period, excluding land and buildings donated on conversion, the trust acquired £2.8m in fixed assets (buildings, fixed furniture plant and equipment, ICT and vehicles) funded by various sources including DfE capital grant, reserves, and revenue balances. The trust is committed to a £3.8M refurbishment of The Newsome Academy, due to be complete in August 2022 and funded by DfE and Kirklees Council, of which £3.3m of funding was received and £499K expended in the accounting period.

Non-capital reserves of the trust (comprising of accumulated surplus I/E and funds transferred on conversion) brought forward from 2019/20 were £1,949K. Reserves carried forward to 2021/22 are £1,763K.

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

b. Reserves Policy

Impact Education Multi Academy Trust has established a reserves policy to protect its activities and strike a strategic balance between the effective delivery of education to current pupils, whilst guarding against future uncertainties and risk, and acquiring a purposeful aggregation of funds for capital investment, long-term cyclical estates improvement, and growth of the trust. The reserves policy is reviewed at least annually in September.

It is Impact's policy to consider all its reserves as central funds, and the use of those funds will be determined by trustees against the operational and strategic needs of the trust, regardless of the academy they were accumulated by. The reserves policy is underpinned by the firmly-held principle that as much current funding as possible must be spent on current pupils, to maximise current resources and provide the very best outcomes for young people currently in the trust's care.

Reserves are necessary however, and should be held and managed effectively to protect the trust and each of its academies from its most significant risks, including but not limited to:

- I. Risk of per pupil funding income being flat or negative when compared to inflating costs over time which will be assumed to be 3% per annum across all expenditure types until further notice.
- II. Risk of an unexpected falling roll at any academy.
- III. Risk of deterioration or obsolescence of assets including buildings, plant, equipment and core infrastructure systems and services.
- IV. Risks associated with the growth of the trust and the transfer of liabilities into the trust from joining converter schools and existing academies and trusts.
- V. Risk of inadequate capital planning and investment in long-term projects to support strategic objectives.
- VI. Risk of insolvency and insufficient cash flow.

The level of reserves carried will be informed by the risk levels to which the trust is subject to, and will change over time. The trust will not ordinarily permit its academies to use reserves to support deficit budgets or financial planning that has not adequately assessed the financial context of the academy and budgeted correctly for things within its control. Short term use of reserves for such a purpose must be authorised by trustees.

The trust will not use reserves for any short-term purpose that would jeopardise the delivery of its medium and long-term capital programme, and in any eventuality total reserves equivalent to at least 3% of GAG income must be held. At the discretion of the trustees, reserves may be moved (only) from unrestricted to restricted and restricted fixed asset funds, and from restricted to restricted fixed asset funds.

The reserve levels set for this accounting period were increased by trustees to 5% of GAG income as a contingency to mitigate the unknown risks born out of the pandemic, equivalent to £831K.

With respect to the Local Government Pension Scheme (LGPS) trustees have noted that in 2020/21, with the joining of two academies and with the current actuarial environment increasing liabilities on public sector pension schemes, the trust's share of the deficit held in West Yorkshire Pension Scheme funds has increased significantly to a deficit on the balance sheet of £12,005k (2019/20: £8,451k). Trustees are aware that this may mean, at the trust's next triennial valuation, there is a significant risk that the contributions payable by both employer and employees, may change. Trustees are also aware that the trust's master funding agreement held with the Secretary of State provides assurance

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

that, should the balance sheet liability to the LGPS ever exceed the current and future service costs that are affordable by the trust's share of the scheme and current contributions, then the Secretary of State for Education would make up any shortfall.

c. Principal Risks and Uncertainties

Trustees have identified and put in place control measures to terminate, treat, transfer or tolerate, the major risks it faces at trust and academy level. During the year executive managers and trustees have undertaken an independent audit in the management of risk. These risks, which have changed in likelihood and magnitude during a year of fast growth, partial centralisation and the global pandemic include but are not limited to:

- Failure to meet educational objectives to maintain pupil outcomes at 'Good' academies
- Failure to improve outcomes for pupils at academies that require timely improvement
- A deficit budget and inability to meet financial obligations
- Failure to comply with statutory legislation and to keep children safe
- Failure to insure and indemnify against insurable risks
- Failure to recruit the required and estimated number of pupils and maintain a direct link between funding and an expansion of provision.
- Failure to perform adequate due diligence and not identify and mitigate risks associated with the acceptance of new academies and growth of the trust.
- Failure to attract, develop and retain, the highest quality staff across all disciplines.

Trustees identify and review risks by means of a Risk Register that is reviewed termly. Risk management is a key and continuous focus of the CEO, board, Finance Risk and Audit Committee, and headteachers' strategic management group.

Fundraising

The academy trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the trustees. Trustees are generally supportive of its academies' staff and students raising funds for specific charitable causes. The trust has a fundraising policy to govern charity activities by staff and pupils to ensure good practice is observed, and the trust has oversight of any charity events held on its premises and/or by its staff and students. All fundraising undertaken during the accounting period was monitored by the trustees.

IMPACT EDUCATION MULTI ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Streamlined energy and carbon reporting

The academy trust's greenhouse gas emissions and energy consumption are as follows:

	2021	2020
Energy consumption used to calculate emissions (kWh)	4,811,324	3,692,725
<i>Energy consumption breakdown (kWh):</i>		
Gas	3,435,584	2,567,191
Electricity	1,357,638	1,110,751
Transport fuel	18,102	14,783
<i>Scope 1 emissions (in tonnes of CO2 equivalent):</i>		
Gas consumption	629	472
Owned transport	4	4
<i>Total scope 1</i>	633	476
<i>Scope 2 emissions (in tonnes of CO2 equivalent):</i>		
Purchased electricity	288	284
<i>Scope 3 emissions (in tonnes of CO2 equivalent):</i>		
Business travel in employee-owned or rental vehicles	2	2
<i>Total gross emissions (in tonnes of CO2 equivalent):</i>	923	762
<i>Intensity ratio:</i>		
Tonnes of CO2 equivalent per pupil	0.30	0.26

Quantification and Reporting Methodology

The academy trust has followed and used the following quantification and reporting methodologies:

- the 2019 HM Government Environmental Reporting Guidelines;
- the GHG Reporting Protocol - Corporate Standard; and
- the 2020 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

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

Measures taken to improve energy efficiency

During the accounting period, the trust has seen its intensity ratio increase to 0.30 tonnes of CO2 equivalent per pupil (2019/20: 0.26). There are two principal causes of this, both of which were beyond management's reasonable control. Firstly, pupil numbers per unit of area reduced due to lower pupil numbers at Castle Hall Academy and Warley Road

IMPACT EDUCATION MULTI ACADEMY TRUST

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Streamlined energy and carbon reporting (continued)

Academy, and more significantly due to Newsome Academy joining the trust with 650 pupils in a school with a capacity for 900. Secondly, a priority control measure for schools to minimise Covid-19 infection was to maximise ventilation when schools were in use, and the opening of doors and windows caused a marked increase in gas consumption at all sites. Covid-19 safety may be a feature of future years, but regardless our aim is to reduce the intensity factor. Future plans include:

1. Metering and monitoring: We continue to take every opportunity to harmonise each sites' utilities contracts to maximise the benefit of collective size.
2. Heating and lighting: New glazing at Castle Hall will continue to be fitted, replacing single pane with SUDG units, with approximately 90% completed to date. As part of Newsome Academy's £3,00K refurbishment, 80% of the roof will be replaced improving insulation, SUDG glazing will be fitted throughout, inefficient in-line vector heating will be replaced by efficient units in more than 50% of the building, all wooden external doors will be replaced with insulating aluminium twin-sets, and LED lighting will be fitted to over half the site.
3. Transport and travel: All school sites have been fitted with electric car power charging units, and the trust is in a scheme promoting electric cars to staff. Five new mini buses have been purchased to ensure school trips are transporting children in the most fuel-efficient vehicles available.

Plans for future periods

- Continue to focus on improving our existing academies through a well-defined, coherent and agile school improvement strategy.
- Further develop our school improvement capacity through the creation of Impact Institute of Continued Professional Development and Learning.
- Focus on developing the Trust brand identity.
- During a transitional year, consolidate and develop the Trust Operating Model, ensuring it can be scaled going forwards.
- Focus on developing a strong central team to ensure leadership is in place to effectively implement the Operating Model.
- Implement the new risk management strategy
- To relocate the central team into larger premises on Pennine Business Park.
- To continue to develop the broad range of activities to enhance student personal development.
- To develop the trust's environmental sustainability approach.
- To commission an independent review of the governance structure.

Funds held as custodian on behalf of others

The trust and its academies hold no funds on the behalf of others.

IMPACT EDUCATION MULTI ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Disclosure of information to auditors

Insofar as the trustees are aware:

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

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


Mike Reddy (Dec 15, 2021 13:48 GMT)

.....
Dr M Reddy
(Chair of Trustees)

Date: Dec 15, 2021

IMPACT EDUCATION MULTI ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

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

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

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The boards are supported by an experienced Trust Improvement Advisor / NLG. An annual skills audit is undertaken to identify strengths and areas to develop. The audits fed into the recruitment process for new trustees. The board was significantly strengthened during the reporting period with support of Academy Ambassadors to appoint three new trustees.

The board of trustees has formally met five times during the year, with all meetings being held via Zoom, due to the COVID-19 emergency. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Dr M Reddy, Chair of Trustees	5	5
Mr P Shire	5	5
Mr S Rees	2	5
Mr J Eccleston	5	5
Ms L Broadley	5	5
Mrs C McDermott	4	5
Mr A Lord	3	5
Mrs J Kaye	5	5
Mrs C Spencer (resigned 15 November 2021)	5	5
Mr A Hunt (appointed 21 September 2020)	5	5
Mr D Clarke (appointed 21 September 2020)	3	5

During the accounting period, the Board of Trustees met on five occasions. The FAR Committee met on eight occasions, and the Pay & Remuneration committee met once. The trustees feel that this combination of meetings is effective and efficient in meeting the governance requirements of Impact Education Multi Academy Trust, whilst recognising the limited and valuable time trustees have available. Impact aspires to be an employer of choice. It equally aspires to be an organisation where key stakeholders choose to volunteer their free time, knowing that the trust values their involvement and recognises their wellbeing and contributes to a healthy work-life balance.

IMPACT EDUCATION MULTI ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Finance, Risk and Audit Committee (FRAC) is a sub-committee of the main board of trustees. Its purpose is to:

- Plan and approve a balanced 4-year budget and monitor spending to ensure the economic, efficient and effective use of resources.
- Plan major and capital expenditure over the next four years
- Act as an Audit Committee whose main purpose is to ensure that sound internal control and risk management processes are in place.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mrs J Kaye - Chair	8	8
Mr P Shire	8	8
Mrs C McDermott	4	8
Mr J Eccleston	8	8
Mr A Hunt	7	8
Mr D Clarke	7	8

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

Continuing to include in its four-year plan an assumption that:

- (a) Per pupil-led funding will remain at its current rate, and academies would be expected to increase pupil roll, other income or reduce expenditure, to maintain a balanced budget
- (b) The Teachers' Pay Grant (TPG) and Teacher's Employers Contribution Pension Grant (TECPG) introduced in 2018/19 and 2019/20 respectively to fund pay and pension contributions increases, have now been added to the National Funding Formula and will be included in GAG at their 2020/21 per pupil rates.
- (c) Annual inflation will be 3% including annual salary costs and the cost of teachers' performance-related pay and support staffs' NJC time-dependent scale increases.

The necessity remained therefore for trustees and senior school managers to rigorously apply the principles of Best Value - the Four Cs: Consult, Challenge, Compare, Compete - and always ensure that all income received and expenditure made represented excellent Value For Money - the Three Es: Effectiveness, Efficiency, Economy.

Value For Money is normally best measured in the sector by school performance, and the continuous improvement by our schools in the progress made by pupils throughout each year group and key stage. As in 2019/20, the Covid-19 pandemic stopped all external and internal examinations and progress tests in the 2021 Summer Term, and pupils' progress results at Key Stage 1-3, and GCSE results at KS4, were based on externally moderated internal teacher assessment. As such

IMPACT EDUCATION MULTI ACADEMY TRUST

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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

there are no independent empirical measures of any school's performance in this accounting period.

Consequently, we are reliant on anecdotal and internal assessment of pupils' progress. Impact's executive and school leadership are confident that the trends over time of improved teaching, learning, progress and attainment, has been maintained in all its settings, and that Value For Money, for our pupils has been delivered at all times when pupils have been able to attend school, and on virtual and other remote systems when they have been learning at home.

In addition, typical examples of applying Best Value and attaining Value For Money included but were not limited to:

- (i) Continuing a curriculum-informed approach to financial planning to ensure curriculums are planned that are affordable within the context of each academy.
- (ii) Ensuring at least three quotes were received for all non-specialist and non-statutory expenditure above £10,000.
- (iii) Ensuring a tendering process was applied rigorously for the award of contracts above £100,000 with the exception of a pooled purchase of ICT equipment to the standard trust spec, which was instead based on three quotes due to opportunity to buy and time constraints.
- (iv) Using financial KPIs in each budget setting such as Pupil Teacher Ratio (PTR), Pupil Support Ratio (PSR), and resources spending per pupil, and use of DfE/SRMA financial resource dashboards to benchmark Impact schools with each other, and with similar schools in England and Wales.

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 Impact Education Multi Academy Trust for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board 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 year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees
- regular reviews by the Finance Risk and Audit Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The board of trustees has decided to employ RSM UK Risk Assurance Services LLP as internal auditor.

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

- Purchasing, suppliers and payments
- Income, cash and debtors
- Month-end processes

On an annual or termly basis as determined by the Finance, Risk and Audit Committee, the internal auditor reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. In this accounting period, and due to the timing of converter academies joining the trust, each academy and the central trust finance function, had an audit of its core financial procedures and systems in the last term of the school year. All findings were reported to the FRAC including recommendation of management actions to correct exceptions and improve systems and the design of controls. The FRAC hold the executive to account to implement these changes in a timely manner, and will look for independent assurance in the next audit cycle that all additional measures are in place and fully effective.

In addition to the audit on core financial procedures, the FRAC commissioned two auditor-led reviews of the trust's information technology (IT) and human resources (HR) strategies. The audits were more investigative evaluations of the current status of each system, and the options available to it to set and achieve strategic goals. As such the reports did not review systems control and report by exception, but the executive and Board received comprehensive overviews of the systems currently in place, and how those systems needed re-modelling to take them to their optimum level, particularly with regards to being provided as a centralised service.

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

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

IMPACT EDUCATION MULTI ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Approved by order of the members of the board of trustees and signed on their behalf by:


Mike Reddy (Dec 15, 2021 13:48 GMT)

.....
Dr M Reddy
Chair of Trustees

Date: Dec 15, 2021



.....
Mr M Kay
Accounting Officer

IMPACT EDUCATION MULTI ACADEMY TRUST

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Impact Education Multi Academy 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 ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2020.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA.

M Kay

Mr M Kay
Accounting Officer

Date: Dec 15, 2021

IMPACT EDUCATION MULTI ACADEMY TRUST

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STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2021

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

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

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

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


Mike Reddy (Dec 15, 2021 13:48 GMT)

.....
Dr M Reddy
Chair of Trustees

Date: Dec 15, 2021

IMPACT EDUCATION MULTI ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF IMPACT EDUCATION MULTI ACADEMY TRUST

Opinion

We have audited the financial statements of Impact Education Multi Academy Trust (the 'academy trust') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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.

IMPACT EDUCATION MULTI ACADEMY TRUST

(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF IMPACT EDUCATION MULTI ACADEMY TRUST (CONTINUED)

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

IMPACT EDUCATION MULTI ACADEMY TRUST

(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF IMPACT EDUCATION MULTI ACADEMY TRUST (CONTINUED)

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the charitable company'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 academy or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

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

- we identified the laws and regulations applicable to the academy trust through discussions with management, and from our knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the operations of the academy trust, including the Charities Act 2011 and the guidance issued by the ESFA;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting correspondence with the regulators; and
- identified laws and regulations were communicated within the audit team and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the academy trust's accounts to material misstatement, including obtaining an understanding of how fraud might occur, by:

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

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;

IMPACT EDUCATION MULTI ACADEMY TRUST
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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF IMPACT EDUCATION MULTI ACADEMY TRUST (CONTINUED)

- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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

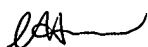
- agreeing financial statement disclosures to underlying supporting documentation;
- reviewing correspondence with regulators and reading minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

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

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

Use of our report

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



Lesley Kendrew (Senior statutory auditor)
for and on behalf of
BHP LLP
Statutory Auditors
New Chartford House
Centurion Way
Cleckheaton
BD19 3QB

Date: Dec 15, 2021

IMPACT EDUCATION MULTI ACADEMY TRUST

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

In accordance with the terms of our engagement letter dated 6 April 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Impact Education Multi Academy Trust during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Impact Education Multi Academy Trust's funding agreement with the Secretary of State for Education dated 31 July 2014 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2020 to 2021 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

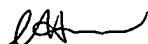
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- checking that the academy trust's activities are consistent with its framework and its charitable objectives,
- checking that the governors and key staff have disclosed their interest in related parties, discussing the same with management and reviewing transactions during the period for undisclosed related party transactions,
- checking that any related party transactions during the period are conducted at normal commercial rates,
- checking that academy trust expenditure is permitted by its funding agreement,
- checking that any borrowings entered into, including leases, are in accordance with the Academies Handbook,
- checking that any land and building transactions, especially disposals, are in line with the funding agreement and Academies Handbook.

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Lesley Kendrew
BHP LLP

Statutory Auditors
New Chartford House
Centurion Way
Cleckheaton
BD19 3QB

Date: Dec 15, 2021

IMPACT EDUCATION MULTI ACADEMY TRUST

(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Income from:						
Donations and capital grants:	3					
Transferred in on conversion		551	(2,071)	13,770	12,250	-
Other donations and capital grants		-	26	4,437	4,463	768
Charitable activities	4	172	24,442	-	24,614	19,015
Other trading activities	5	227	-	-	227	169
Investments	6	-	-	-	-	4
Total income		950	22,397	18,207	41,554	19,956
Expenditure on:						
Charitable activities	7	6	25,635	1,432	27,073	20,690
Total expenditure		6	25,635	1,432	27,073	20,690
Net income/(expenditure)		944	(3,238)	16,775	14,481	(734)
Transfers between funds	17	-	(1,700)	1,700	-	-
Net movement in funds before other recognised gains/(losses)		944	(4,938)	18,475	14,481	(734)
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	26	-	254	-	254	(494)
Net movement in funds		944	(4,684)	18,475	14,735	(1,228)
Reconciliation of funds:						
Total funds brought forward		595	(7,097)	21,855	15,353	16,581
Net movement in funds		944	(4,684)	18,475	14,735	(1,228)

IMPACT EDUCATION MULTI ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Note					
Total funds carried forward	1,539	(11,781)	40,330	30,088	15,353

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 37 to 69 form part of these financial statements.

IMPACT EDUCATION MULTI ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 08529006

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £000	2020 £000
Fixed assets			
Tangible assets	14	36,936	21,650
		<u>36,936</u>	<u>21,650</u>
Current assets			
Debtors	15	4,109	1,171
Cash at bank and in hand		3,688	2,409
		<u>7,797</u>	<u>3,580</u>
Creditors: amounts falling due within one year	16	(2,640)	(1,426)
Net current assets		<u>5,157</u>	<u>2,154</u>
Total assets less current liabilities		<u>42,093</u>	<u>23,804</u>
Defined benefit pension scheme liability	26	(12,005)	(8,451)
Total net assets		<u><u>30,088</u></u>	<u><u>15,353</u></u>
Funds of the academy trust			
Restricted funds:			
Fixed asset funds	17	40,330	21,855
Restricted income funds	17	224	1,354
		<u>40,554</u>	<u>23,209</u>
Restricted funds excluding pension asset	17	40,554	23,209
Pension reserve	17	(12,005)	(8,451)
Total restricted funds	17	<u>28,549</u>	<u>14,758</u>
Unrestricted income funds			
General funds	17	1,539	595
Total unrestricted income funds	17	<u>1,539</u>	<u>595</u>
Total funds		<u><u>30,088</u></u>	<u><u>15,353</u></u>

IMPACT EDUCATION MULTI ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 08529006

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

The financial statements on pages 32 to 69 were approved and authorised for issue by the trustees and are signed on their behalf, by:


Mike Reddy (Dec 15, 2021 13:48 GMT)

Dr M Reddy
Chair of Trustees

Date: Dec 15, 2021

The notes on pages 37 to 69 form part of these financial statements.

IMPACT EDUCATION MULTI ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £000	2020 £000
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	19	(761)	430
Cash flows from investing activities	21	1,489	(347)
Cash flows from financing activities	20	551	86
Change in cash and cash equivalents in the year		1,279	169
Cash and cash equivalents at the beginning of the year		2,409	2,240
Cash and cash equivalents at the end of the year	22, 23	3,688	2,409

The notes on pages 37 to 69 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

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 (GAG) is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

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

- **Donations**

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

- **Transfer on conversion**

Where assets and liabilities are received by the academy trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

1.4 Expenditure

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

- **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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.4 Expenditure (continued)

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.6 Tangible fixed assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Depreciation is provided on the following bases:

Freehold property	- Up to 50 yrs as determined by a valuation and estimated useful economic life (UEL) at the point of acquisition or donation
Long-term leasehold property	- Up to 50 yrs as determined by a valuation and estimated useful economic life (UEL) at the point of acquisition or donation
Furniture and equipment	- Over 4 years
Computer equipment	- Over 4 years

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

1.7 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.9 Liabilities

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

1.10 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 bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. 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.

IMPACT EDUCATION MULTI ACADEMY TRUST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)**1.11 Pensions**

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

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

Investment income, gains and losses are allocated to the appropriate fund.

IMPACT EDUCATION MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3. Income from donations and capital grants

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Donations	-	26	104	130	2
Capital Grants	-	-	4,333	4,333	346
Transfer on Conversion from LA	551	(2,071)	13,770	12,250	420
	551	(2,045)	18,207	16,713	768
Total 2020	82	(607)	1,293	768	

IMPACT EDUCATION MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

4. Funding for the academy trust's educational operations

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
<i>DfE/ESFA grants</i>				
General Annual Grant	-	19,582	19,582	15,411
Other DfE/ESFA grants				
Other DfE/ESFA Grants	-	541	541	625
Local Authority Grants	-	1,797	1,797	1,058
Teachers Pay Grants	-	827	827	724
Pupil Premium	-	1,397	1,397	1,027
Free School Meals	-	114	114	118
Primary PE Grant	-	80	80	52
Others	172	104	276	-
	172	24,442	24,614	19,015
	172	24,442	24,614	19,015
Total 2020	16	18,999	19,015	

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the academy trust's funding for Universal Infant Free School Meals and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

IMPACT EDUCATION MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

5. Income from other trading activities

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Educational visits income	8	-	8	33
Income from facilities and services	219	-	219	136
	<u>227</u>	<u>-</u>	<u>227</u>	<u>169</u>
Total 2020	<u>136</u>	<u>33</u>	<u>169</u>	

6. Investment income

	Unrestricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Short term deposits	-	-	4
	<u>4</u>	<u>4</u>	
Total 2020	<u>4</u>	<u>4</u>	

IMPACT EDUCATION MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

7. Expenditure

	Staff Costs	Premises	Other	Total	Total
	2021	2021	2021	2021	2020
	£000	£000	£000	£000	£000
Education:					
Direct costs	16,758	-	2,122	18,880	15,037
Allocated support costs	4,412	1,766	2,015	8,193	5,653
	<u>21,170</u>	<u>1,766</u>	<u>4,137</u>	<u>27,073</u>	<u>20,690</u>
Total 2020	<u>15,632</u>	<u>1,657</u>	<u>3,401</u>	<u>20,690</u>	

8. Analysis of expenditure by activities

	Activities		Total	Total
	undertaken	Support costs	funds	funds
	directly	2021	2021	2020
	2021	£000	£000	£000
	£000	£000	£000	£000
Education	18,880	8,193	27,073	20,690

IMPACT EDUCATION MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Education	Total	Total
	2021	funds	funds
	£000	2021	2020
		£000	£000
Staff costs	4,412	4,412	2,690
Depreciation	320	320	130
Technology Costs	212	212	218
Premises Costs	1,766	1,766	1,657
Governance Costs	8	8	62
Other Support Costs	1,475	1,475	896
	<u>8,193</u>	<u>8,193</u>	<u>5,653</u>
Total 2020	<u>5,653</u>	<u>5,653</u>	

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021	2020
	£000	£000
Operating lease rentals	123	69
Depreciation of tangible fixed assets	1,328	1,036
Fees paid to auditors for:		
- audit	20	15
- other services	2	2
	<u>22</u>	<u>96</u>

IMPACT EDUCATION MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £000	2020 £000
Wages and salaries	14,516	11,426
Social security costs	1,394	1,092
Pension costs	4,704	3,135
	<hr/>	<hr/>
	20,614	15,653
Agency staff costs	486	318
Staff restructuring costs	70	40
	<hr/>	<hr/>
	21,170	16,011
	<hr/>	<hr/>

Staff restructuring costs comprise:

	2021 £000	2020 £000
Redundancy payments	70	16
Severance payments	-	24
	<hr/>	<hr/>
	70	40
	<hr/>	<hr/>

b. Staff numbers

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

	2021 No.	2020 No.
Teachers	205	175
Administration and support	303	233
Management	31	24
	<hr/>	<hr/>
	539	432
	<hr/>	<hr/>

IMPACT EDUCATION MULTI ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

10. Staff (continued)

c. Higher paid staff

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

	2021	2020
	No.	No.
In the band £60,001 - £70,000	11	9
In the band £70,001 - £80,000	5	4
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	1	2
In the band £100,001 - £110,000	1	-
In the band £130,001 - £140,000	-	1
In the band £140,001 - £150,000	1	-

d. 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 and employer national insurance contributions) received by key management personnel for their services to the academy trust was £1,064,318 (2020 - £843,147).

IMPACT EDUCATION MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

11. Central Trust Services and Support

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

- Payroll
- HR and pensions administration
- HR support, employee wellbeing and occupational health
- TES Gold recruitment package
- Finance system, training and support
- Budget setting, monitoring, control and benchmarking
- Financial reporting
- Internal audit
- External audit of financial statements, TPS, EOYC, AAR and BF3YO
- Risk management
- Conversion project management
- Strategic academy improvement
- Bespoke leadership, coaching and development
- Safeguarding review and support
- Health and safety management support
- Employee assistance and benefits scheme
- IT infrastructure and services management
- Governance service and subscriptions
- Marketing and communications support
- Website development
- All risks insurance and vehicle insurance
- Legal advice and support
- Estate, services and facilities support
- Minibus pool provision (five vehicles)
- Asset management
- Data protection support
- Safeguarding review

The academy trust retains funds for these services on the following basis:

Schools rated Ofsted Good and Outstanding - 4.5% of GAG only

Schools rated as Inadequate or Requiring Improvement - 6.5% of GAG only

Schools considered to be improving via SEF and trust evaluation – 5.5% of GAG only.

IMPACT EDUCATION MULTI ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

11. Central Trust Services and Support (continued)

The actual amounts retained during the year were as follows:

	2021	2020
	£000	£000
The Halifax Academy	371	345
Castle Hall Academy	247	276
Warley Road Primary Academy	104	106
The Whitley AP Academy	36	36
Old Bank Academy	54	23
Hill View Academy	96	-
Newsome Academy	100	-
Total	1,008	786

12. Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The CEO 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. The value of trustees' remuneration and other benefits was as follows:

		2021	2020
		£000	£000
Mr M Kay, Chief Executive (resigned 31 August 2020)	Remuneration	nil	130 - 135
	Pension contributions paid	nil	30 - 35

During the year ended 31 August 2021, expenses totalling £nil were reimbursed or paid directly to the trustees (2020 - £659 to 1 trustee).

13. 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 business, and provides cover up to £5,000,000 on any one claim. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the trust's insurance policy. The cost of this insurance is included in the total insurance cost.

IMPACT EDUCATION MULTI ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

14. Tangible fixed assets

	Freehold property £000	Long-term leasehold property £000	Furniture, equipment and motor vehicles £000	Computer equipment £000	Total £000
Cost or valuation					
At 1 September 2020	5,834	19,200	197	534	25,765
Additions	180	1,760	354	550	2,844
Inherited on conversion	-	13,770	-	-	13,770
At 31 August 2021	6,014	34,730	551	1,084	42,379
Depreciation					
At 1 September 2020	797	2,839	120	359	4,115
Charge for the year	413	595	106	214	1,328
At 31 August 2021	1,210	3,434	226	573	5,443
Net book value					
At 31 August 2021	4,804	31,296	325	511	36,936
At 31 August 2020	5,037	16,361	77	175	21,650

15. Debtors

	2021 £000	2020 £000
Due within one year		
Trade debtors	62	-
Other debtors	373	368
Prepayments and accrued income	3,674	803
	4,109	1,171

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16. Creditors: Amounts falling due within one year

	2021	2020
	£000	£000
Trade creditors	32	283
Other creditors	471	315
Accruals and deferred income	2,137	828
	2,640	1,426
	2021	2020
	£000	£000
Deferred income at 1 September 2020	226	196
Resources deferred during the year	295	226
Amounts released from previous periods	(226)	(196)
	295	226

At the balance sheet date the academy trust was holding funds received in advance for devolved formula capital of £nil (2020 - £37k), early years funding of £77k (2020 - £77k), free school meals of £84k (2020 - £75k), teachers pay grants of £38k (2020 - £nil) and other income of £96k (2020 - £37k).

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NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
<i>Unrestricted funds</i>						
General funds	595	950	(6)	-	-	1,539
<i>Restricted general funds</i>						
GAG	882	19,582	(18,540)	(1,700)	-	224
Pupil Premium	-	1,397	(1,397)	-	-	-
Teachers Pay Grants	-	827	(827)	-	-	-
Free School Meals	-	114	(114)	-	-	-
PPG	-	80	(80)	-	-	-
Other DfE Grants	-	541	(541)	-	-	-
Local Authority Grants	-	1,797	(1,797)	-	-	-
Other Restricted Income	472	130	(602)	-	-	-
Pension reserve	(8,451)	(2,071)	(1,737)	-	254	(12,005)
	(7,097)	22,397	(25,635)	(1,700)	254	(11,781)
<i>Restricted fixed asset funds</i>						
Transfer on conversion	15,193	13,770	(963)	-	-	28,000
Transfers from other funds	1,042	-	(35)	1,700	-	2,707
Transfer from existing academies	5,287	-	(176)	-	-	5,111
DfE Group capital grants	333	4,333	(154)	-	-	4,512
Donated laptops	-	104	(104)	-	-	-
	21,855	18,207	(1,432)	1,700	-	40,330
<i>Total Restricted funds</i>	14,758	40,604	(27,067)	-	254	28,549
<i>Total funds</i>	15,353	41,554	(27,073)	-	254	30,088

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

17. Statement of funds (continued)

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

Impact Education Multi Academy Trust receives pupil-led funding (principally GAG) and other revenue grants, under recognised local and national formulae, from DfE and Local Authority. Similarly it receives Devolved Formula Capital (DFC) and other capital grants, from DfE, for capital purchases. Both revenue and capital grant funds are limited to their use and in the period of account were used for education provision and the pursuit of the trust's Charitable objectives as laid out in its Funding Agreement with the Secretary of State.

In the year ending 31 August 2021 revenue and capital funding was sufficient to meet the trust's expenditure budget, including the transfer of £1,700k to the Restricted Fixed Asset fund, to purchase fixed assets. There was a deficit balance of restricted revenue income over expenditure of £1,130k (2020 - £478k surplus) and a surplus balance of unrestricted revenue income over expenditure of £944k (2020 - £458k deficit).

The pension fund deficit is based on an actuarial valuation of the trusts' assets and liabilities held within the LGPS as at 31 August 2021, details of which are included in note 26. In the accounting period, the fund deficit has increased from £8,451k to £12,005k. This occurred due to a combination of inflation pressures on actuarial assumptions, and deficits in the value of funds transferred-in from Hill View Academy and Newsome Academy of £2,071k.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2021.

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17. Statement of funds (continued)

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

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
Unrestricted funds						
General funds	1,053	238	(130)	(566)	-	595
Restricted general funds						
GAG	829	15,411	(15,358)	-	-	882
Other restricted income	47	1,275	(850)	-	-	472
Pupil Premium	-	1,027	(1,027)	-	-	-
Other DfE/ESFA	-	1,323	(1,323)	-	-	-
Pension reserve	(6,391)	(611)	(955)	-	(494)	(8,451)
	(5,515)	18,425	(19,513)	-	(494)	(7,097)
Restricted fixed asset funds						
Transfer on conversion	15,280	949	(1,036)	-	-	15,193
Transfers from other funds	476	-	-	566	-	1,042
Transfer from existing academies	5,287	-	-	-	-	5,287
DfE Group capital grants	-	344	(11)	-	-	333
	21,043	1,293	(1,047)	566	-	21,855
Total Restricted funds	15,528	19,718	(20,560)	566	(494)	14,758
Total funds	16,581	19,956	(20,690)	-	(494)	15,353

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NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2021	2020
	£000	£000
The Halifax Academy	353	750
Castle Hall Academy	219	194
Warley Road Primary Academy	262	770
The Whitley AP Academy	333	65
Central Trust Services and Support	(384)	38
Old Bank Academy	59	132
Hill View Academy	319	-
Newsome Academy	602	-
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	1,763	1,949
Restricted fixed asset fund	40,330	21,855
Pension reserve	(12,005)	(8,451)
	<hr/>	<hr/>
Total	30,088	15,353
	<hr/>	<hr/>

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

	Deficit
	£000
Central Trust Services and Support	384
	<hr/>

During the year Central Trust Services and Support used reserves to fund several projects, approved by the Board, for both revenue and capital spending, including: reviews of Risk, HR and IT; appointment of staff eg. marketing and communications; investment in IT infrastructure and staffing; extraordinary expenditure associated with the pandemic.

The academy trust is taking the following action to return the academy to surplus:

The Central Trust Services and Support budget is balanced in-year in 2021/22 (surplus £119K) and all additional expenditure outside this budget will be pre-approved as part of the reserves policy and capital allocation process. 2021/22 is a transitional year for the trust and the operating model for a wider portfolio of centralised services, will necessitate a review of the level of GAG retention, with an underlying criteria of at least breaking-even in-year, similar to that which underpins all academy budgets.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

17. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2021 £000	Total 2020 £000
The Halifax Academy	6,325	1,893	247	563	9,028	8,521
Castle Hall Academy	3,345	973	177	453	4,948	4,669
Warley Road Primary Academy	2,117	654	134	70	2,975	3,330
The Whitley AP Academy	1,054	217	34	34	1,339	1,571
Central Trust Services and Support	445	1,484	42	661	2,632	1,146
Old Bank Academy	747	212	52	38	1,049	417
Hill View Academy	1,013	339	37	6	1,395	-
Newsome Academy	1,772	512	81	14	2,379	-
Academy trust	16,818	6,284	804	1,839	25,745	19,654

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18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000
Tangible fixed assets	-	-	36,936	36,936
Current assets	1,539	2,864	3,394	7,797
Creditors due within one year	-	(2,640)	-	(2,640)
Provisions for liabilities and charges	-	(12,005)	-	(12,005)
Total	1,539	(11,781)	40,330	30,088

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	-	-	21,650	21,650
Current assets	595	2,780	205	3,580
Creditors due within one year	-	(1,426)	-	(1,426)
Provisions for liabilities and charges	-	(8,451)	-	(8,451)
Total	595	(7,097)	21,855	15,353

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NOTES TO THE FINANCIAL STATEMENTS
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19. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2021 £000	2020 £000
Net income/(expenditure) for the year (as per Statement of financial activities)	14,481	(734)
Adjustments for:		
Depreciation	1,328	1,035
Capital grants from DfE and other capital income	(4,333)	(346)
Interest receivable	-	(4)
Defined benefit pension scheme obligation inherited	2,071	611
Defined benefit pension scheme cost less contributions payable	1,578	833
Defined benefit pension scheme finance cost	159	122
Increase in debtors	(2,938)	(353)
Increase in creditors	1,214	297
Cash received on conversion to an academy	(551)	(82)
Fixed assets received on conversion to an academy	(13,770)	(949)
Net cash (used in)/provided by operating activities	(761)	430

20. Cash flows from financing activities

	2021 £000	2020 £000
Cash and cash equivalents transferred on conversion	551	82
Interest received	-	4
Net cash provided by financing activities	551	86

21. Cash flows from investing activities

	2021 £000	2020 £000
Purchase of tangible fixed assets	(2,844)	(693)
Capital grants from DfE Group	4,333	346
Net cash provided by/(used in) investing activities	1,489	(347)

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NOTES TO THE FINANCIAL STATEMENTS
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22. Analysis of cash and cash equivalents

	2021 £000	2020 £000
Cash in hand and at bank	3,688	2,409
<i>Total cash and cash equivalents</i>	3,688	2,409

23. Analysis of changes in net debt

	At 1 September 2020 £000	Cash flows £000	At 31 August 2021 £000
Cash at bank and in hand	2,409	1,279	3,688
	2,409	1,279	3,688

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NOTES TO THE FINANCIAL STATEMENTS
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24. Conversion to an academy trust

On 1st September 2020 Hill View Academy (Previously Almondbury Community School) converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Impact Education Multi Academy Trust from Kirklees MBC local authority for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of financial activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities.

	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
<i>Tangible fixed assets</i>			
Leasehold land and buildings	-	2,025	2,025
<i>Non-current liabilities</i>			
Pension liability	(360)	-	(360)
<i>Net (liabilities)/assets</i>	<u>(360)</u>	<u>2,025</u>	<u>1,665</u>

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NOTES TO THE FINANCIAL STATEMENTS
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24. Conversion to an academy trust (continued)

On 1st April 2021 Newsome Academy (Previously Newsome High School) converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Impact Education Multi Academy Trust from Kirklees MBC local authority for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of financial activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities.

	Unrestricted funds £000	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
<i>Tangible fixed assets</i>				
Leasehold land and buildings	-	-	11,745	11,745
<i>Current assets</i>				
Cash in hand	551	-	-	551
<i>Non-current liabilities</i>				
Pension liability	-	(1,711)	-	(1,711)
<i>Net assets/(liabilities)</i>	551	(1,711)	11,745	10,585

25. Capital commitments

	2021 £000	2020 £000
<i>Contracted for but not provided in these financial statements</i>		
Acquisition of tangible fixed assets	3,220	265

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

26. Pension commitments

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 West Yorkshire Pension Fund. Both are multi-employer defined benefit schemes.

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

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

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

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26. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £2,231,000 (2020 - £1,686,000).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The 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 pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £1,011,000 (2020 - £650,000), of which employer's contributions totalled £732,000 (2020 - £474,000) and employees' contributions totalled £ 279,000 (2020 - £176,000). The agreed contribution rates for future years are 16.4 per cent for employers and 12.5 per cent for employees.

As described in note 24 the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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

Principal actuarial assumptions

	2021	2020
	%	%
Rate of increase in salaries	3.85	3.55
Rate of increase for pensions in payment/inflation	2.6	2.3
Discount rate for scheme liabilities	1.7	1.7
Inflation assumption (CPI)	2.6	2.3

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26. Pension commitments (continued)

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

	2021 Years	2020 Years
Retiring today		
Males	21.9	21.8
Females	24.7	24.6
Retiring in 20 years		
Males	22.6	22.5
Females	25.8	25.7

Sensitivity analysis

	2021 £000	2020 £000
Discount rate +0.1%	25,595	16,954
Discount rate -0.1%	26,961	17,860
Mortality assumption - 1 year increase	25,279	16,780
Mortality assumption - 1 year decrease	27,277	18,051
CPI rate +0.1%	26,383	17,459
CPI rate -0.1%	26,173	17,355

Share of scheme assets

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

	2021 £000	2020 £000
Equities	11,447	6,968
Gilts	1,142	869
Corporate bonds	628	448
Property	542	385
Cash and other liquid assets	314	152
Other	200	134
Total market value of assets	14,273	8,956

The actual return on scheme assets was £2,536,000 (2020 - £239,000).

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NOTES TO THE FINANCIAL STATEMENTS
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26. Pension commitments (continued)

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

	2021 £000	2020 £000
Current service cost	2,310	1,280
Past service cost	-	27
Interest cost	159	122
Total amount recognised in the Statement of Financial Activities	2,469	1,429

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

	2021 £000	2020 £000
At 1 September	17,407	14,437
Transferred in on existing academies joining the trust	-	1,283
Interest cost	338	285
Employee contributions	279	176
Actuarial losses	2,103	92
Benefits paid	(229)	(173)
Past service costs	-	27
Current service cost	2,310	1,280
Net increase in liabilities from disposals/acquisitions	4,070	-
At 31 August	26,278	17,407

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NOTES TO THE FINANCIAL STATEMENTS
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26. Pension commitments (continued)

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

	2021 £000	2020 £000
At 1 September	8,956	8,046
Transferred in on existing academies joining the trust	-	672
Interest income	179	163
Actuarial gains/(losses)	2,357	(402)
Employer contributions	732	474
Employee contributions	279	176
Benefits paid	(229)	(173)
Net increase in assets from disposals/acquisitions	1,999	-
At 31 August	14,273	8,956

27. Operating lease commitments

At 31 August 2021 the academy trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £000	2020 £000
Amounts due within one year	131	123
Amounts due between one and five years	142	123
	273	246

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NOTES TO THE FINANCIAL STATEMENTS
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28. Other contractual commitments

PFI agreements

At 31 August 2021 the total of the academy trust's future minimum lease payments under other contractual commitments was:

	2021 £000	2020 £000
Amounts due within one year	793	606
Amounts due between one and five years	3,416	2,548
Amounts due after five years	4,192	3,180
	<u>8,401</u>	<u>6,334</u>

29. Members' liability

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

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NOTES TO THE FINANCIAL STATEMENTS
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30. Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. No related party transactions took place in the financial period. The following related party transactions took place in the prior financial period, along with certain trustees' remuneration and expenses already disclosed in note 12.

	2021	2020
	£000	£000
Learn2Lead2Succeed Ltd	-	7
	<u>-</u>	<u>7</u>

Learn2Lead2Succeed Ltd supplied safeguarding audits at all the academies in the trust, and was a related party due to the shareholding and directorship held by P McDermott who served as a trustee of Impact Education Multi Academy Trust until his resignation on 31 August 2020.

All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.