

Impact Education Multi Academy Trust

(A Company Limited by Guarantee)

**Annual Report and Financial Statements
Year ended 31 August 2019**

**Company Registration Number:
08529006 (England and Wales)**

Impact Education Multi Academy Trust

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Impact Education Multi Academy Trust

Reference and Administrative Details

Members

Mr D Gilchrist
Dr P Shepherd (resigned 1.9.19)
Mr C Midgley
Dr M Reddy (appointed 30.8.19)
Mr D Morgan (appointed 30.8.19)

Trustees

Dr M Reddy (Chair)
Mr P Shire
Mr S Rees
Dr P Shepherd
Mr J Eccleston (from 1.4.19)
Mr M Kay (CEO & Accounting Officer)
Mr P McDermott (from 15.10.18)
Mr N Ashmore (from 21.11.18 to 6.2.19)
Ms L Broadley (from 1.8.19)
Mrs C McDermott (from 1.9.19)
Mr A Lord (from 4.11.19)
Mrs J Kaye (from 4.11.19)

Company Secretary

Mr G Hellawell

Executive Team:

CEO	Mr M Kay
CFO	Mr G Hellawell
COO	Mr N Walker (resigned 28.2.19)
Headteacher - The Halifax Academy	Mr M Perry
Headteacher - Castle Hall Academy	Mr P Brook (from 1.1.19)
Headteacher - Warley Road Primary Academy	Mrs G Horner (from 1.3.19)
Headteacher - The Whitley AP Academy	Mr P Hannah (from 1.8.19)

Company Name

Impact Education Multi Academy Trust

Principal and Registered Office

Commanders House
Gibbet Street
Halifax
West Yorkshire
HX2 0BA

Company Registration Number

08529006 (England and Wales)

Independent Auditor

Mazars LLP
5th Floor
3 Wellington Place
Leeds
LS1 4AP

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

Trustees' Report

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the accounting period 1 September 2018 to 31 August 2019. The Annual Report serves the purposes of both a trustees' report, and a Trustees' report under company law.

Impact is a charitable trust with four member academies in the West Yorkshire area. The Halifax Academy, Halifax and Castle Hall Academy, Mirfield, were members during the entire accounting period. Two academies joined the Trust during the accounting period. Warley Road Primary Academy joined the Trust on 1 March 2019, and The Whitley AP Academy (formerly known as Calderdale Pupil Referral Unit) joined on 1 August 2019. At the end of the accounting period, Impact Education Multi Academy Trust was providing education to approximately 2,800 students.

Also during this period, three more schools have been granted Academy Orders by the Secretary of State to join Impact in 2019/20. This will take the number of academies to seven and the total number of students to around 3,750.

Structure, Governance and Management

Constitution

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

The trustees of Impact Education Multi Academy Trust are also the trustees of the charitable company for the purpose of company law. The charitable company is known as Impact Education Multi Academy Trust. The registered name of the charitable company was amended on 23 March 2017, having been formerly known as The Halifax 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 3.

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

Members' liability

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

Trustees' indemnities

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.

Method of recruitment and appointment or election of Trustees

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 Chief Executive is a trustee appointed by ordinary resolution by the members.

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.

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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, the CEO and the trust governance advisor. 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.

Policies and procedures adopted for the induction and training of Trustees

An annual analysis of trustees' skills is conducted in 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. As a minimum all new trustees will be issued with the following documents:

- Most recent issue of the Governor's Handbook (September 2018)
- Most recent issue of A Competency Framework for Governance (September 2018)

All new trustees will be given a tour of the relevant academies and an opportunity to meet staff and pupils. All trustees are provided with copies of policies, minutes, accounts, budgets, plans and other documents that they will need to undertake their role effectively.

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.

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 Sept 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

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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 of all other staff, except themselves, to the pay committee of each LGB.

Trade union facility time

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, the following information is disclosed:

Relevant union officials

Number of employees who were relevant union officials during 2018/19	Full-time equivalent employee number
Two	1.8 FTE

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Total cost of facility time	£1,063
Total pay bill	£12,026K
Percentage of total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.009%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	Nil
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Related Parties and other Connected Charities and Organisations

The Halifax Academy is a member of a collaborative whose shared objective is to improve the educational outcomes of pupils within the wider area through the joint use of resources and sharing best practice.

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The Crossley Heath Academy Trust act as the administrative body for MOSAIC, a Teaching School Alliance (TSA) that co-ordinate School Direct teacher training places across a local partnership schools and training providers. TSA's are part of a Government-led national initiative to work with others to provide high-quality training and development to new and experienced school staff, principally to recruit new teachers to the profession.

The trust is connected to MOSAIC and is not a related party. In the accounting period, the trust received £30,545 (2017/18: £36,818) from MOSAIC for student placement support fees.

Similarly, Castle Hall Academy provide short term teacher placements as part of several local arrangements with West Yorkshire Teaching Alliance, Huddersfield University, Leeds Beckett University, Bradford College, Kirklees SCITT, Kirklees & Calderdale SCITT and Heckmondwike Grammar. During the accounting period, the Academy received funding of £325, £2,150, £1,400, £550, £1,750, £2,450, and £800 respectively from these organisations.

The above relationships involve no element of formal or informal influence on the part of Impact Multi Academy Trust so are therefore not disclosed in note 31 in the financial statements.

Objectives and Activities

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.

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.

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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 ethically with emotional intelligence.

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.

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.

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.

Public benefit

The board of trustees has considered the Charity Commission's guidance on Public Benefit. 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.

Academic Performance 2018/19

The Halifax Academy

It is very pleasing that the founding academy in the trust continues to be very strong, highlighting the strategy for succession and stability, skilfully delivered over a number of years as the trust before and after it embarked on its development as a MAT.

Primary Phase – there are no KS2 results as the phase was only into year 4 during the accounting period.

- 93% of students met the expected standard in phonics in Year 1. This is outstanding and in the top 20% of all schools nationally.
- Good Level of Development (GLD) outcomes are broadly in line with national.
- Key Stage 1 outcomes at KS1 % RWM is 61% and just below national.

Secondary Phase

- Progress 8 is +0.49 in the provisional key stage 4 results release of the performance tables. This is outstanding.
- Progress in English, EBACC and Open Elements are outstanding. Maths broadly average, but positive and remains a key area for improvement.
- Progress 8 is in top 20% for pupil progress nationally at KS4.
- Progress 8 for disadvantaged students is 0.43 compared to disadvantaged nationally of -0.45 and national other 0.13. This is outstanding.

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- Attainment 8 is marginally above national. This is strong attainment from a below average APS cohort.

Castle Hall Academy

Significant change has taken place during the accounting period. A new headteacher started on 1 January 2019, SLT was strengthened by two assistant headteachers joining from The Halifax Academy and a new interim LGB was formed. A new curriculum model and staffing structure was implemented, which will support improved outcomes overtime for students. Significant works have been undertaken to improve business operations and the learning environment.

- Progress 8 is -0.41 and is lower than the year prior to sponsorship. This is not surprising and would have been lower if the Trust had not intervened.
- Attainment in Grades 4+ in En/Ma/Sc were all above 50%
- Some significant improvements in some subjects (History, PE & Photography all above 45% grade 5+)
- Securing more pupil numbers in the new intake remains a key priority.

Warley Road Primary Academy

Warley Road joined the trust during the accounting period on 1 March 2019. Warley Road are leading on improving primary education across the trust.

- Key stage 2 results will be published nationally in December, but it is expected that the academy will be in the top 20% nationally for progress.
- Key Stage 2 Maths is +6.06 and significantly above national (0.03). This is outstanding progress.
- Key Stage 2 Reading is +3.79 and well above national (0.02). This is good / outstanding progress.
- Key Stage 2 Writing is +1.25 and above national (0.05). This is average / good progress
- Key Stage 2 %RWM is 64.8% and in line with national.
- Key focus areas are improving GLD outcomes at EYFS from 55.3% to be closer to the national figure (71.7% 2019) and phonic outcomes at the end of Y1 from 68.9% to 80% and at Y2 retake. The final focus area is to improve outcomes at KS1 from 42.3% RWM to be closer to the national figure of 64.9%.

The Whitley AP Academy

Whitley AP joined the Trust during the accounting period on 1 August 2019. There are no national benchmarks for pupil progress in alternative provision.

- The number of Year 11 pupils achieving five or more qualifications increased from 36% to 59%.
- The number of Year 11 pupils achieving five or more GCSE or equivalent qualifications increased from 21% to 34%.
- Exclusions reduced significantly in year as the new policy became embedded.
- Attendance is below national average for Alternative Provisions and remains a key area for improvement.

Key Performance Indicators

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 4.2% of annual GAG
- In-year balance to remain at or above budget forecast
- Cumulative balance at each academy to be in surplus over each 4-year period
- Cash levels to be sufficient to meet financial obligations

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Educational Key Performance Indicators expected of all trust academies include:

- All academies will be judged at least good by Ofsted within three years of joining Impact Education Multi Academy Trust.
- All academies to be in the top 20% nationally for student progress.
- In all academies disadvantaged students to make at least the same progress as other students nationally.
- In all academies attendance to be better than national averages.
- In all academies exclusions to be below national averages.

Going Concern

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

Financial Review

Financial performance and in-year balance

The principal financial objective of the trust in 2018/19 was to achieve its budget objectives set at the start of the year, and stay within its four-year budget plan. The year included two schools joining from local authorities, and one academy joining from a single academy trust. The timing of all three events was uncertain and the risk was therefore significant in both financial and operational terms. Alongside three schools joining the trust, the budget plan also included a strategic objective to establish a portfolio of central services, and to determine who and how those services were to be provided and scaled-up to accommodate the quick expansion of the trust from one to four academies, including the formation and operational activity of a central team.

Excluding pension adjustments and including £474k spent on the purchase of fixed assets, the trust made an operating deficit of income over expenditure of £13k, excluding income from donations received from the three joining schools, all of whom brought a surplus on conversion totaling £1,679k.

Reserves brought forward as at 1.9.18 were £263k, consisting of £191k of unrestricted funds and £72k of restricted funds. Added to the operating deficit, and the income received as donations upon conversion and rebrokering, the reserves carried forward as at 31.8.19 were £1,929k, consisting of £1,053k in unrestricted reserves, and £876k in restricted reserves.

Reserves policy

It is the generally held principle of trustees that current funding should be spent on current pupils. The trustees have always reviewed the level of reserves held, on a regularly basis. Previously and entering into the accounting period, the trust's reserves policy was to establish reserves of 1/24th (4.2%) of GAG, with a minimum contingency set at 1/4 of PPG equivalent to around £110k. Over the accounting period trustees have begun to prepare for a trust whose reserves have increased very quickly and significantly, from £263k (3.93% of GAG funding) to £1,939k (14.91% of GAG funding).

Trustees have reviewed the reserves policy and practice of many similar-sized, growing, small, and large trusts, and have concluded the following:

- The average reserves held across the sector is 11.3% of total income and the range is 6% to 16%.
- Reserves targets set by trusts range from 2% of income to 25% of income
- Most trusts state current funding will aim to be spent on current pupils
- Some trusts take all reserves to a central pool
- Some trusts keep reserves attached to each academy
- Some trusts allow a percentage to be retained by academies and pool the surplus
- Most trusts state that reserves will be used for capital investment and some form of future growth or long term spending, or act as a contingency for extraordinary future events.

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Having reviewed such data and information, trustees have determined that what should underpin a reserves policy is that as much current funding as possible must be spent on current pupils to maximise current resources and the outcomes for young people currently in the trust's care.

Reserves are necessary however, and should be able to protect each academy and the trust from its most significant financial risk, along with providing funds for planned future capital investment. The most significant risk to each academy is one of falling roll and/or the current norm of per pupil funding not increasing, and expenditure increasing at an annual rate of 3%.

The revised reserves policy of Impact Education MAT with effect from 1 September 2019 is likely therefore to be based around retaining a minimum of 3% of GAG funding, plus any likelihood of falling roll at a value of £5k per expected pupil drop at the next intake date, at each existing and joining academy. This should ensure, with the benefit of lagged funding and informed budget setting and adequate financial control, that the trust's academies have sufficient reserves to protect against the likely financial challenges of the current and following year, always within the framework of a four-year financial plan.

The maximum reserves target should also include a purposeful aggregation for: capital investment; long-term cyclical estates improvement; and growth of the trust. This requires further analysis but a starting point for growth would be circa £200k to support essential catch-up works on any joining school. The agreed policy may look like:

<u>Consideration</u>	<u>Current Value £k</u>	<u>Note</u>
1. 3% of GAG income	388	Operational cash flow & contingency
2. Expected fall in NOR	125	25 pupils at existing academies
3. Growth Fund	200	One joiner school in need per annum
4. Life cycle - Min	40	4 academies x £10k each
Max	200	4 academies x £50k each
<u>Minimum Reserve</u>	<u>791</u>	6.1% of GAG income
<u>Maximum Reserve</u>	<u>951</u>	7.3% of GAG income

With respect to the Local Government Pension Scheme (LGPS) trustees have noted that in 2018/19, with the joining of three 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 £6,391k (2017/18: £905k). 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 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.

Investment policy

Apart from the cash held for the operation of its academies and central services in current bank accounts attracting nominal interest, the trust had no material investments in this accounting period, with the exception of one medium-term (6 months) high interest account held at Warley Road Primary. With respect to its cash holdings, the board has always adopted a risk averse strategy, and this will continue. The relatively high reserves held by the trust now, however, affords trustees to consider some nil-risk opportunities of maximising a return on reserves held for a future purpose. Trustees will review their investment policy alongside the revised reserves policy, with a view to improving a return on interest paid to that in the accounting period, which was £1,087 (2017/18: £362).

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. These risks which have changed in likelihood and magnitude during a year of fast growth, and include but are not limited to:

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- 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

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.

Plans for Future Periods

Growth Plan

Our strategy is for growth with care, ensuring the trust has the capacity to meet the needs of each joiner academy in terms of support, challenge and leadership, without compromising the core purpose of any academy within the trust. Board members recognise each academy will have its own unique context and will therefore consider each one on a case by case basis. The context of the joining academy, including its effectiveness and size, will shape future growth. This growth strategy therefore sets out the trust's initial plans for growth and will be reviewed as each new academy joins.

Key Priorities for Growth

Successful conversion of two primary academies and one secondary academy via the sponsor route during the 2019/20 academic year.

Building capacity by attracting an existing good or outstanding joiner primary and secondary within the next 18 months.

Continue building capacity in the trust central team as the trust grows rapidly.

Relocate the trust central team to new offices, facilitating a training and development centre.

Funds Held as Custodian Trustee on Behalf of Others

During the accounting period, The Halifax Academy was custodian and administrator for the Calderdale Association of Secondary Headteachers (CASH). This responsibility 'follows' the chair of the association, and Mick Kay, CEO of Impact, was chair of CASH during the 2018/19 academic year. Segregation was ensured by cost centre and fund accounting. Income during the period was £185,159.26, expenditure was £81,034.35, and a balance of £104,124.91 will be passed on to the next custodian. The balance is recognised as 'Other Creditors' on the balance sheet. CASH income and expenditure is not recognised in the trust's financial statements.

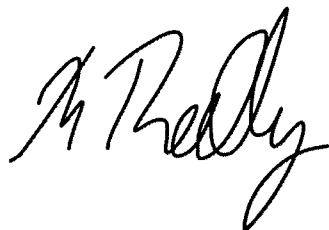
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Auditor

Insofar as the trustees are aware:

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

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 27/12/2019 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'M Reddy', written in a cursive style.

Dr M Reddy
Chair of Trustees

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Governance Statement

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Chief Executive Officer, Mick Kay, 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. The accounting officer is responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

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

Trustee	Meetings attended	Out of a possible
Dr M Reddy, Chair	5	5
Mr P Shire	5	5
Mr S Rees	3	5
Mr P McDermott	2	5
Mr N Ashmore	1	1
Mr M Kay, CEO & Accounting Officer	5	5
Mr J Eccleston	1	3
Dr P Shepherd	5	5

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 at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Dr P Shepherd, Chair	3	3
Mr P Shire	3	3
Mr S Rees	2	3
Mr M Kay, CEO & Accounting Officer	3	3
Dr M Reddy	2	3

Review of Value for money

As accounting officer, the CEO has responsibility for ensuring that the trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received. The accounting officer considers how the trust's use of its resources has provided good value for money during each academic

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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 trust has delivered improved value for money during the year by:

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

- (a) A -1.5% minimum funding guarantee for pupil-led funding will remain in place, and academies would be expected to increase other income or reduce expenditure, to maintain a balanced budget
- (b) The teachers' pay grant, introduced in 2018/19 to support above inflation pay increases for teachers with effect from 1 September 2018, will only fill the gap between what schools should be expected to budget for (1% in 2018/19, 2% in 2019/20)
- (c) Annual inflation will be 3% including annual salary costs increasing by 2%

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 was best evidenced across all the trust's activities by The Halifax Academy achieving its best-ever attainment levels at Key Stage 4, putting it in the top 15% of all secondary schools nationally, whilst at the same time bettering its surplus-in-year and reserves targets, and by Warley Road Primary Academy achieving its best ever outcomes at Key Stage 2. At Castle Hall Academy, the trust undertook significant improvement and refurbishment works by strategic use of the academy's relatively high reserves, and the school's student and staff populations are now teaching and learning in an environment that befits the academy's new leadership's aspiration to make fast and significant progress and move out of special measures imposed by Ofsted in 2016

In addition, further 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.

At The Halifax Academy, this saw a further increase in the pupil to teacher ratio (PTR) in secondary phase from 14.2 in 17/18, to 15.8 in 18/19, and in primary phase from 23.7 in 17/18, to 23.9 in 18/19.

At Castle Hall Academy, a staff restructuring exercise was necessary to redress significant over-staffing and a fall in pupil numbers. Consequently, pupil teacher ratio increased from 14.7 to 15.5, and the pupil : support staff ratio increased from 21.6 to 28.6. Staff costs as a percentage of GAG income were reduced from 88% to 82%. Non-staff expenditure per pupil was increased from £1,180 to £1,284.

- (ii) The Halifax Academy continuing to challenge its PFI provider with regards to the quality of services being delivered and the contractual costs of the service, and securing savings of £22,927 (2017/18: £27,356).

- (iii) The Halifax Academy retaining both trainee teachers from the DfE-funded SCITT programme.

- (iv) Ensuring at least three quotes were received for all non-specialist and non-statutory expenditure above £5,000.

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 the trust's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Impact Education Multi Academy Trust for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Impact Education Multi Academy Trust

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy 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's significant risks, that has been in place for the period 1 September 2018 to 31 August 2019 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 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 (FRAC) of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided to appoint RSM Risk Assurance Services LLP as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. On an annual or termly basis as determined by the FRAC, 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 convertor 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.

Review of Effectiveness

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

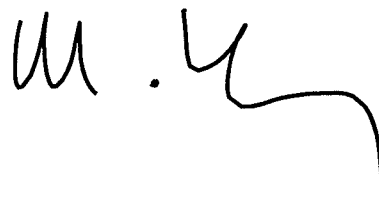
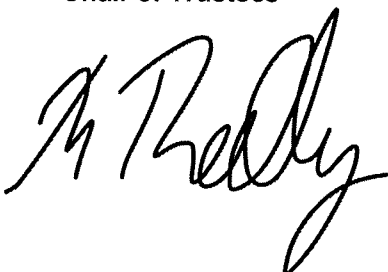
- the work of the internal auditor;
- the work of the external auditor;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 27/12/2019 and signed on their behalf, by:

Dr Mike Reddy
Chair of Trustees

Mr M Kay
Accounting Officer



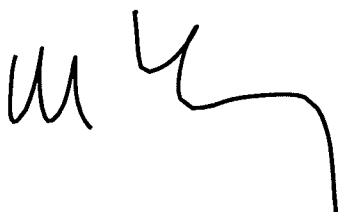
Impact Education Multi Academy Trust

Statement of Regularity, Propriety and Compliance

As Accounting Officer of Impact Education Multi Academy Trust I have considered my responsibility to notify the board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2018.

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

A handwritten signature in black ink, consisting of a stylized 'M' followed by a series of loops and a long horizontal stroke.

Mr M Kay
Accounting Officer
27.12.19

Impact Education Multi Academy Trust

Statement of Trustees' Responsibilities

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

Company law requires the 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:

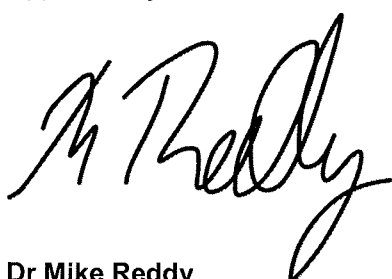
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2018/19.
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The 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 the 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 on 27/12/2019 and signed on its behalf by:



Dr Mike Reddy
Chair of Trustees

Impact Education Multi Academy Trust

Independent Auditor's Report to the Members of Impact Educational Multi Academy Trust

Opinion

We have audited the financial statements of Impact Education Academy Trust ("the 'Academy Trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2018 to 2019.

Basis for opinion

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

The impact of uncertainties due to Britain exiting the European Union on our audit

The Trustees' view on the impact of Brexit is contained within their risk review.

The terms on which the United Kingdom may withdraw from the European Union are not clear, and it is therefore not currently possible to evaluate all the potential implications to the Academy Trust's operations, service users, suppliers and the wider economy.

We considered the impact of Brexit on the Academy Trust as part of our audit procedures, applying a standard firm wide approach in response to the uncertainty associated with the Academy Trust's future prospects and performance.

However, no audit should be expected to predict the unknowable factors or all possible implications for the Academy Trust and this is particularly the case in relation to Brexit.

Conclusions relating to going concern

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

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

Impact Education Multi Academy Trust

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 18, the Trustees (who are directors 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 Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or

Impact Education Multi Academy Trust

error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of the audit 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and the Academy Trust's members as a body for our audit work, for this report, or for the opinions we have formed.



Shaun Mullins (Senior Statutory Auditor) for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor
5th Floor
3 Wellington Place
Leeds
LS1 4AP

Date: 14.1.2020

Impact Education Multi Academy Trust

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 25 November 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, 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 period 1 September 2018 to 31 August 2019 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 the 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 the ESFA those matters we are required to state to it 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 the 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 26 August 2010 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion. Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Planning our assurance procedures including identifying key risks;
- Carrying out sample testing on controls;
- Carrying out substantive testing including analytical review; and
- Concluding on procedures carried out.

Impact Education Multi Academy Trust

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Mazars LLP

Signature

Reporting Accountant

Mazars LLP
5th Floor
3 Wellington Place
Leeds
LS1 4AP

Date: *14.1.2020*

Impact Education Multi Academy Trust

Statement of Financial Activities for the year ended 31 August 2019

(including Income and Expenditure Account)

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	2018/19 Total	2017/18 Total
Income and endowments from:	Note	£000	£000	£000	£000	£000
Donations and capital grants	2	4	-	100	104	78
Transfer from local authority on conversion	2	929	(1,230)	4,651	4,351	-
Transfer from existing academies	2	278	(117)	5,287	5,448	-
Donated Fixed Assets						
Other donations		-	-	-	-	1
Charitable activities:						
Funding for the academy trust's educational operations	3	-	14,484	-	14,484	7,366
Other trading activities	4	126	47	-	173	88
Investments	5	1	-	-	1	-
Total		1,338	13,184	10,038	24,561	7,533
Expenditure on:						
Raising funds	6	-	-	-	-	21
Charitable activities:						
Educational operations	6	-	14,874	1,012	15,886	7,859
Total		-	14,874	1,012	15,886	7,880
Net income / (expenditure)		1,338	(1,690)	9,026	8,675	(347)
Transfers between funds	14	(476)	-	476	-	-
Other recognised gains / (losses):						
Actuarial gains / (losses) on defined benefit pension schemes	22	-	(2,992)	-	2,992	316
Net movement in funds		862	(4,682)	9,502	11,667	(31)
Reconciliation of funds						
Total funds brought forward		191	(833)	11,541	10,899	10,930
Total funds carried forward		1,053	(5,515)	21,043	16,581	10,899

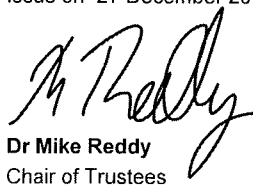
Impact Education Multi Academy Trust

Balance Sheet as at 31 August 2019

Company Number 08529006

	Note	2019 £000	2019 £000	2018 £000	2018 £000
Fixed assets					
Tangible assets	11		21,043		11,541
Current assets					
Debtors	12	818		236	
Cash at bank and in hand		<u>2,240</u>		<u>332</u>	
		3,058		568	
Liabilities					
Creditors: Amounts falling due within one year	13	<u>(1,129)</u>		<u>(305)</u>	
Net current assets			<u>1,929</u>		<u>263</u>
Total assets less current liabilities			<u>22,972</u>		<u>11,804</u>
Net assets excluding pension liability			<u>22,972</u>		<u>11,804</u>
Defined benefit pension scheme liability	22		<u>(6,391)</u>		<u>(905)</u>
Total net assets			<u>16,581</u>		<u>10,899</u>
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	14	21,043		11,541	
Restricted income fund	14	876		72	
Pension reserve	14	<u>(6,391)</u>		<u>(905)</u>	
Total restricted funds			<u>15,529</u>		<u>10,708</u>
Unrestricted income funds	14		<u>1,053</u>		<u>191</u>
Total funds			<u>16,581</u>		<u>10,899</u>

The financial statements on pages 3-53 were approved by the trustees and authorised for issue on 27 December 2019 and are signed on their behalf by:


Dr Mike Reddy
Chair of Trustees

Impact Education Multi Academy Trust

Statement of Cash Flows for the year ended 31 August 2019

	Notes	2019 £000	2018 £000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	18	59	242
Cash transferred on conversion to an academy trust	24	929	-
Cash received from transferring academies	25	1,294	
Cash flows from investing activities	19	(374)	(82)
Change in cash and cash equivalents in the reporting period		1,908	160
Cash and cash equivalents at 1 September 2018		332	172
Cash and cash equivalents at 31 August 2019		2,240	332

Impact Education Multi Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019

1 Accounting Policies

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

Basis of Preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102), 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 (FRS102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Going Concern

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

Income

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

- **Grants**

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

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

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grant are reflected in the balance 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.

- **Other Income**

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

- **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 where the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised as transfer on conversion within 'Donations and capital grant income' to the net assets received.

Impact Education Multi Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019

- **Transfer of existing academies into the academy trust**

Where assets and liabilities are received by the academy trust on transfer of an existing academy, the transferred net assets are measured at fair value and recognised in the balance sheet at the point where the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised for the transfer of an existing academy into the academy trust within 'Donations and capital grant income' to the net assets acquired.

Expenditure

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

- **Expenditure on Raising Funds**

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

- **Charitable Activities**

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

All resources expended are inclusive of irrecoverable VAT.

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 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:

• Long-term leasehold land	over 125 years
• Long-term leasehold buildings and freehold buildings	up to 50 yrs as determined by a valuation and estimated useful economic life (UEL) at the point of acquisition or donation
• Plant and machinery	over 4 years
• Furniture and equipment	over 4 years
• Computer Equipment	over 4 years

Depreciation is not provided in the year of acquisition of a donated asset, if that asset is valued on the balance sheet date.

Impact Education Multi Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019

Liabilities

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

Provisions

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

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

Leased Assets

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

Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are basic financial instruments, and are measured at amortised cost as detailed in note 17 and 18. 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 no obligation to deliver services rather than cash or another financial instrument.

Taxation

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

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

Pensions Benefits

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

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.

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Notes to the Financial Statements for the year ended 31 August 2019

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

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

Fund Accounting

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

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

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 30, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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.

Conversion to an Academy Trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below. The assets and liabilities transferred on conversion from Warley Road Primary School and The Calderdale Pupil Referral Unit, to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 32.

Acquisition of a Single Academy Trust

The acquisition of a single academy trust involved the transfer of identifiable assets and liabilities and the operation of the academy trust for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below. The assets and liabilities transferred on conversion from Castle Hall Academy Trust, on 1 September 2018, to the academy trust have been valued at their fair value. The fair value has been

Impact Education Multi Academy Trust
Notes to the Financial Statements for the year ended 31 August
2019

derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from existing academies in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 33.

Impact Education Multi Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019

2 Donations and capital grants

	Unrestricted Funds	General Restricted Funds	Restricted Fixed Asset Funds	2018/19 Total	2017/18 Total
	£000	£000	£000	£000	£000
Capital Grants	-	-	100	100	78
Transfer on Conversion from LA - Net Assets	929	-	4,651	5,580	-
Transfer on Conversion from LA - Pensions	-	(1,230)	-	(1,230)	-
Transfer of Existing Academies - Net Assets	278	471	5,287	6,036	-
Transfer of Existing Academies - Pensions	-	(588)	-	(588)	-
Other donations	4	-	-	4	1
	1,211	(1,347)	10,038	9,902	79

3 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds	General Restricted Funds	Restricted Fixed Asset Funds	2018/19 Total	2017/18 Total
	£000	£000	£000	£000	£000
DfE / EFA grants					
General Annual Grant (GAG)	-	12,939	-	12,939	6,697
Other DfE group grants	-	1,233	-	1,233	555
National college grants	-	-	-	-	55
	-	14,172	-	14,172	7,307
Other Government grants					
Local authority grants	-	313	-	313	59
	-	14,484	-	14,484	7,366

4 Other Trading activities

	Unrestricted Funds	General Restricted Funds	Restricted Fixed Asset Funds	2018/19 Total	2017/18 Total
	£000	£000	£000	£000	£000
Hire of facilities	-	-	-	-	8
Income for other charitable activities	-	-	-	-	7
Income from ancillary trading services	126	47	-	173	73
	126	47	-	173	88

5 Investment income

	Unrestricted Funds	General Restricted Funds	Restricted Fixed Asset Funds	2018/19 Total	2017/18 Total
	£000	£000	£000	£000	£000
Short term deposits	1	-	-	1	-
	1	-	-	1	-

Impact Education Multi Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019

6 Expenditure

	Non Pay Expenditure			Total	Total
	Staff Costs	Premises	Other	2018/19	2017/18
	£000	£000	£000	£000	£000
Expenditure on raising funds:					
Direct Costs	-	-	-	-	20
Allocated support costs	-	-	-	-	1
Academy's educational operations:					
Direct costs	10,021	0	1,722	11,742	5,788
Allocated support costs	2,005	1,367	771	4,144	2,071
	12,026	1,367	2,493	15,886	7,880

Net (expenditure) / income for the year includes:

	2018/19	2017/18
	£000	£000
Operating lease rentals	647	582
Depreciation	912	487
Fees payable to auditor for:		
- audit	24	10
- other services	5	2

Impact Education Multi Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019

7 Charitable Activities

	2018/19 £000	2017/18
Direct costs – educational operations	11,742	5,788
Support costs – educational operations	4,144	2,071
	15,886	7,859

Analysis of support costs	Educational operations £000	2018/19 Total £000	2017/18 Total £000
Support staff costs	1,973	1,973	808
Depreciation	91	91	120
Premises costs	1,367	1,367	825
Other support costs	680	680	286
Governance costs	32	32	32
Total support costs	4,144	4,144	2,071

Impact Education Multi Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019

8 Staff

a. Staff costs

Staff costs during the year were:

	2018/19 £000	2017/18 £000
Wages and salaries	8,726	4,401
Social security costs	832	420
Pension costs	1,933	822
	11,491	5,643
Agency staff costs	409	104
Staff restructuring costs	126	37
	12,026	5,784
Staff restructuring costs comprise:		
Redundancy payments	71	15
Severance payments	55	18
Other restructuring costs	-	4
	126	37

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £3,200 (2017/18: £3,840). Individually, the payments were: £2,500 made on 19.7.19 and £700 made on 18.7.19

c. Staff numbers

The average number of persons (headcount) employed by the trust during the year was as follows:

	2018/19 No.	2017/18 No.
Teachers	181	71
Administration and support	214	72
Management	24	10
	419	153

d. Higher paid staff

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

	2018/19 No.	2017/18 No.
£60,001 - £70,000	6	4
£70,001 - £80,000	1	1
£80,001 - £90,000	1	-
£120,001 - £130,000	1	1

e. Key management personnel

The key management personnel of the academy trust comprise the trustees and executive team as listed on page 3. 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 £539,105 (2017/18: £663,734).

Impact Education Multi Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019

9 Related Party Transactions - Trustees' Remuneration and Expenses

One trustee has been paid remuneration or has received other benefits from an employment with the academy trust. The CEO only receives remuneration in respect of services he provided undertaking the role of CEO and under a contract of employment.

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

Trustee	Remuneration	2018/19 £'000	2017/18 £'000
M Kay	Remuneration	125-130	125-130
	Pension contributions paid	20-25	20-25

During the year ended 31 August 2019, travel expenses totalling £794 were reimbursed or paid directly to 1 trustee (2018: £537 to 1 trustee).

Central Services

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

STRATEGIC ACADEMY IMPROVEMENT

Academy improvement partner – 3 days per year
CEO fortnightly strategy meetings
Bespoke leadership coaching and development
Trust wide system leaders access
Strategic risk management support and guidance

HR PROTECT PACKAGE

Unlimited Advice and Guidance SLA
Staff Employment Handbook
Trust dedicated HR policy portal and support
TES Gold Recruitment Package
Occupational Health unlimited access and support
Full DBS SLA
HR Contract Administration and Payroll
GDPR SLA including Trust wide DPO

FINANCE

System installation training and support
Accountancy guidance and consultancy

ESTATES, SERVICES & FACILITIES MANAGEMENT

Health & Safety SLA
Estate & PFI Management
Project Management Support (plan-to-build)
IT Network Support and Consultancy

LEGAL ADVICE AND INSURANCES

All risks insurance
Quick call legal advice service
Academy conversion management

GOVERNANCE

Internal audit and assurance programme
External audit
Governor Induction
Ongoing training and development
Clerking service

BRANDING & MARKETING CONSULTANCY

Induction Review
Brand development and PR support
Website development

The academy trust retains a percentage of GAG funding (only) to pay for the provision of these services as follows:

4.5% of GAG funding only - for academies whose Ofsted judgement is 'Good' or 'Outstanding'

6.5% of GAG funding only - for academies whose Ofsted judgement is 'Requires Improvement' or 'Inadequate'.

The actual amounts retained for the provision of central services in this accounting period were as follows:

	2018/19 £000
The Halifax Academy	324
Castle Hall Academy	288
Warley Road Primary Academy	53
The Whitley AP Academy	3
	668

(2017/18 - no comparative figures).

Impact Education Multi Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019

10 Trustees and Officers Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance 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

Notes to the Financial Statements for the year ended 31 August 2019

11 Tangible Fixed Assets

	Freehold Land and Buildings	Leasehold Land and Buildings	Furniture and Equipment	Computer Equipment	Total
	£000	£000	£000	£000	£000
Cost					
At 1 September 2018	-	13,352	75	282	13,709
Acquisitions	5,261	-	24	2	5,287
Transfer on conversion	-	4,645	-	7	4,651
Additions	310	21	47	96	475
At 31 August 2019	5,571	18,018	147	387	24,123
Depreciation					
At 1 September 2018	-	1,917	39	212	2,168
Charged in year	389	423	37	62	912
Disposals	-	-	-	-	-
At 31 August 2019	389	2,340	76	274	3,080
Net book values					
At 31 August 2018	-	11,435	36	70	11,541
At 31 August 2019	5,182	15,677	71	113	21,043

Impact Education Multi Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019

12 Debtors

	2019	2018
	£000	£000
Trade debtors	35	5
VAT recoverable	206	60
Other debtors	15	
Prepayments and accrued income	561	171
	818	236

13 Creditors: amounts falling due within one year

	2019	2018
	£000	£000
Trade creditors	184	44
Other taxation and social security	260	109
Other creditors	104	-
Accruals and deferred income	581	152
	1,129	305

Deferred income

	2019	2018
	£000	£000
Deferred income at 1 September 2018	39	62
Released from previous years	(39)	(62)
Resources deferred in the year	196	39
Deferred Income at 31 August 2019	196	39

At the balance sheet date the academy trust was holding funds of £196k received in advance for revenue grants (£10k rates reimbursement, £15k local authority special educational needs funding, £4k educational visits, £76k universal infant free school meal grant, £61k local authority high needs) and capital grants (£30k devolved formula capital). (2017/18: £26k for revenue grants, capital grants devolved formula £12k, educational visits £1k).

Impact Education Multi Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019

14 Funds

	Balance at 1 September 2018	Income	Expenditure	Gains, losses and transfers	Balance at 31 August 2019
	£000	£000	£000	£000	£000
Restricted general funds					
General Annual Grant (GAG)	72	13,410	(12,652)	-	829
Other grants	-	1,546	(1,546)	-	-
Other restricted income	-	47	-	-	47
Pension reserve	(905)	(1,818)	(676)	(2,992)	(6,391)
	(833)	13,184	(14,874)	(2,992)	(5,515)
Restricted fixed asset funds					
Transfer on conversion	11,541	4,651	(912)	-	15,280
Transfers from unrestricted funds	-	-	-	476	476
Transfer from existing academies	-	5,287	-	-	5,287
DfE Group capital grants	-	100	(100)	-	-
Capital expenditure from GAG	-	-	-	-	-
	11,541	10,039	(1,012)	476	21,043
Total restricted funds	10,708	23,223	(15,886)	(2,516)	15,528
Total unrestricted funds	191	1,338	-	(476)	1,053
Total funds	10,899	24,560	(15,886)	(2,992)	16,581

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 the Local Authority. Similarly it receives Devolved Formula Capital (DFC) and other capital grant, 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 2019 revenue and capital funding was sufficient to meet the trust's expenditure budget, including the transfer of £476k to the Restricted Fixed Asset Fund, to purchase fixed assets. Excluding pension funds, there was a surplus balance of restricted revenue income over expenditure of £876k (2017/18: £72k) and a surplus balance of unrestricted revenue income over expenditure of £1,053k (2017/18: £191k).

Impact Education MAT's Funding Agreement sets no limits as to the amount of GAG it is permitted to carry forward from one year to the next.

The pension fund deficit is based on an actuarial valuation of the trust's assets and liabilities held within the LGPS as at 31 August 2019, details of which are included in note 30. In the accounting period, the fund deficit increased from £905k in 2017/18, to £6,391k in 2018/19. This occurred due to a combination of inflation pressures on actuarial assumptions incurring actuarial losses of £2,992k, and also deficits in the value of funds transferred-in from three joining schools of £1,818k (see note 22).

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

	Balance at 1 September 2017	Income	Expenditure	Gains, losses and transfers	Balance at 31 August 2018
	£000	£000	£000	£000	£000
Restricted general funds					
General Annual Grant (GAG)	-	6,697	(6,543)	(82)	72
Pupil Premium	-	439	(439)	-	-
Other grants	-	230	(230)	-	-
Pension reserve	(1,040)	-	(181)	316	(905)
	(1,040)	7,366	(7,393)	234	(833)
Restricted fixed asset funds					
Transfer on conversion	11,496	-	(487)	-	11,009
DfE Group capital grants	372	78	-	-	450
Capital expenditure from GAG	-	-	-	82	82
	11,868	78	(487)	82	11,541
Total restricted funds	10,828	7,444	(7,880)	316	10,708
Total unrestricted funds	102	89	-	-	191
Total funds	10,930	7,533	(7,880)	316	10,899

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019 £000	2018 £000
The Halifax Academy	669	263
Castle Hall Academy	288	-
Warley Road Primary Academy	851	-
The Whitley AP Academy	72	-
Central Services	50	-
Total before fixed assets and pension reserve	1,930	263
Restricted fixed asset fund	21,043	11,541
Pension reserve	(6,391)	(905)
Total	16,582	10,899

Total cost analysis by academy

Expenditure incurred by each academy from their date of conversion or acquisition, 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	2018/19 Total £000	2017/18 Total £000
The Halifax Academy	5,127	642	427	1,111	7,307	7,372
Castle Hall Academy	3,528	350	392	529	4,799	-
Warley Road Primary Academy	1,101	275	41	45	1,461	-
The Whitley AP Academy	101	13	2	7	122	-
Central Services	164	130	39	307	641	-
Academy Trust	10,021	1,410	901	1,998	14,330	7,372

The above excludes allocated pensions activities actuarial costs of £676k.

Impact Education Multi Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019

15 Analysis of net assets between Funds

Fund balances at 31 August 2019 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	21,043	21,043
Current assets	1,053	2,006	-	3,058
Current liabilities	-	(1,129)	-	(1,129)
Pension scheme liability	-	(6,391)	-	(6,391)
Total net assets	1,053	(5,514)	21,043	16,581

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

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	11,541	11,541
Current assets	191	378	-	568
Current liabilities	-	(306)	-	(305)
Pension scheme liability	-	(905)	-	(905)
Total net assets	191	(833)	11,541	10,899

Impact Education Multi Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019

16 Capital Commitments

The Trust had no capital commitments at 31 August 2019.

(As at 31 August 2018: none).

Impact Education Multi Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019

17 Commitments under operating leases

Operating Leases

At 31 August 2019 the total of the trust's future minimum lease payments under non-cancellable operating leases was:

	2019	2018
	£000	£000
Amounts due within one year	634	598
Amounts due between one and five years	2,632	2,557
Amounts due after five years	4,147	4,797
	<u>7,413</u>	<u>7,952</u>

Trustees continue to recognise The Halifax Academy's PFI agreement as an operating lease.

Impact Education Multi Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019

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

	2018/19	2017/18
	£000	£000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	8,675	(347)
Adjusted for:		
Cash received on conversion to an academy	(929)	-
Cash received from transfers in of an academy trust	(1,294)	-
Donated fixed assets	(9,938)	-
Depreciation charges (note 14)	912	487
Capital grants from DfE and other capital income	(100)	(78)
Defined benefit pension scheme obligation inherited	1,818	-
Defined benefit pension scheme cost less contributions payable (note 30)	550	181
Defined benefit pension scheme finance cost (note 30)	126	-
(Increase)/decrease in debtors	(583)	10
Increase/(decrease) in creditors	822	(11)
Net cash provided by / (used in) Operating Activities	59	242

19 Cash Flows from Investing Activities

	2018/19	2017/18
	£000	£000
Purchase of tangible fixed assets	(474)	78
Capital grants from DfE Group	100	(160)
Net cash used in investing activities	(374)	(82)

20 Analysis of cash and cash equivalents

	2018/19	2017/18
	£000	£000
Cash in hand and at bank	2,240	332
Total cash and cash equivalents	2,240	332

Impact Education Multi Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019

21 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.

Impact Education Multi Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019

22 Pension and Similar Obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for staff employed under contract as teachers; and the Local Government Pension Scheme (LGPS) for all other support staff, which is managed by West Yorkshire Pension Fund. Both are multi-employer defined benefit pension schemes.

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

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

A copy of the latest valuation report can be found by following this link to [Teachers' Pension Scheme website](#)

Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

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 2019 was £483,225 (2017/18: £226,843) of which employer's contributions totalled £348,447 (2017/18: £164,335) and employees' contributions totalled £134,808 (2017/18: £62,508). The agreed contribution rates are currently 15.1% for employers and 5.5% to 8.5% for employees, which is fixed until 31/03/2020. Trustees are aware that the increase in the trust's share of the funds' increased liability as at 31 August 2019, could lead to an increase in employer's and employees' contribution rates, when these rates are reviewed in April 2020.

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.

The LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the founding maintained school and new employees who were eligible to, and did, join the Scheme in the year/period. 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.'

Principal actuarial assumptions	2019	2018
Rate of increase in salaries	3.35%	3.25%
Rate of increase for pensions in payment/inflation	2.10%	2.00%
Discount rate for scheme liabilities	1.90%	2.80%
Inflation assumption (CPI)	2.10%	2.00%

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

	2019	2018
<i>Retiring today</i>		
Males	22.2	22.1
Females	25.4	25.3
<i>Retiring in 20 years</i>		
Males	23.2	23.1
Females	27.2	27.1

Sensitivity analysis	2019	2018
	£000	£000
Discount rate + 0.1%	14,098	3,569
Discount rate - 0.1%	14,785	3,743
Mortality assumption - 1 year increase	13,961	3,549
Mortality assumption - 1 year decrease	14,918	3,761
CPI rate + 0.1%	14,663	3,719
CPI rate - 0.1%	14,215	3,592

The academy trust's share of the assets in the scheme were:	2019	2018
	£000	£000
Asset Allocation		
Equities	6,243	2,051
Gilts	845	297
Corporate bonds	362	96
Property	354	116
Cash and other liquid assets	153	61
Other	89	129
Total market value of assets	8,046	2,750

The actual return on scheme assets was £235,000 (2018: 135,000).

Amounts recognised in the Statement of Financial Activities	2018/19	2017/18
	£000	£000
Current service cost	644	320
Past service cost	255	-
Interest cost	126	24
Admin expenses	10	-
Total amount recognised in the SOFA	1,035	344

Changes in the present value of defined benefit obligations were as follows:	2018/19	2017/18
	£000	£000
At 1 September	3,655	3,449
Transferred in on existing academies joining the trust	6,593	-
Current service cost	654	320
Interest cost	225	87
Employee contributions	146	68
Actuarial gain/(loss)	3,128	(244)
Benefits paid	(219)	(25)
Past service cost	255	-
At 31 August	14,437	3,655

Changes in the fair value of the academy trust's share of scheme assets:	2018/19	2017/18
	£000	£000
At 1 September	2,750	2,409
Transferred in on existing academies joining the trust	4,775	-
Interest income	99	63
Actuarial gain/(loss)	136	72
Employer contributions	359	163
Employee contributions	146	68
Benefits paid	(219)	(25)
At 31 August	8,046	2,750

Impact Education Multi Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019

23 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. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook and with the academy trust's financial regulations and normal procurement processes relating to connected and related party transactions.

In the accounting period, no such related party transactions took place.

Impact Education Multi Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019

24. Conversion to an Academy Trust

On 1 March 2019 Warley Road Primary School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Impact Education Multi Academy Trust from Calderdale 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 headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Donations - transfer from local authority on conversion.

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

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total £000
Tangible fixed assets				
Leasehold land and buildings	-	-	3,564	3,564
Current assets				
Cash	855	-	-	855
Non-current liabilities				
LGPS pension surplus / (deficit)	-	(801)	-	(801)
Net assets/(liabilities)	855	(801)	3,564	3,618

On 1 August 2019 the Calderdale Pupil Referral Unit converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Impact Education Multi Academy Trust from Calderdale 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 headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Donations – transfer from local authority on conversion.

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

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total £000
Tangible fixed assets				
Leasehold land and buildings	-	-	1,081	1,081
Other tangible fixed assets	-	-	6	6
Current assets				
Cash	75	-	-	75
Non-current liabilities				
LGPS pension surplus / (deficit)	-	(429)	-	(429)
Net assets/(liabilities)	75	(429)	1,087	732

Impact Education Multi Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019

25. Academy transfers in to the trust

On 1 September 2019 Castle Hall Academy transferred from Castle Hall Academy Trust under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Impact Education Multi Academy Trust from Castle Hall Academy Trust for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Donations – transfer from existing academies.

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

	Value reported by transferring trust £000	Fair value adjustments £000	Transfer in recognised £000	
Tangible fixed assets				
Freehold land and buildings	5,261	-	5,261	
Furniture and equipment	24	-	24	
Computer equipment	2	-	2	5,287
Current assets				
Debtors due in less than one year	136	-	136	
Cash in bank and in hand	1,294	-	1,294	
Other debtors	239	-	239	6,956
Current Liabilities				
Creditors due in less than one year	(402)	-	(402)	
Deferred income	(111)	-	(111)	
Accruals	(132)	-	(132)	
Other creditors	(275)	-	(275)	
Net Current Assets	<u>749</u>	-	<u>749</u>	
Defined Benefit Pension Scheme Liability	<u>(588)</u>	-	<u>(588)</u>	
Total Net Assets	<u>5,448</u>		<u>5,448</u>	
Funds of the Academy Trust				
Restricted Funds				
Restricted income	471	-	471	
Restricted Fixed Asset Fund	5,287	-	5,287	
Pension reserve	(588)	-	(588)	
Unrestricted Funds				
Unrestricted income	278	-	278	
Total Funds	<u>5,448</u>		<u>5,448</u>	

Impact Education Multi Academy Trust

Comparative Statement of Financial Activities for the year ended 31 August 2018

(including Income and Expenditure Account)

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	2017/18 Total
	Note	£000	£000	£000	£000
Income and endowments from:					
Donations and capital grants	2	-	-	78	78
Other donations	2	1	-	-	1
Charitable activities:					
Funding for the academy trust's educational operations	3	-	7,366	-	7,366
Other trading activities	4	88	-	-	88
Total		89	7,366	78	7,533
Expenditure on:					
Raising funds	6	-	21	-	21
Charitable activities:					
Educational operations	6	-	7,372	487	7,859
Total		-	7,393	487	7,880
Net income / (expenditure)		89	(27)	(409)	(347)
Transfers between funds	14	-	(82)	82	-
Other recognised gains / (losses):					
Actuarial gains / (losses) on defined benefit pension schemes	22	-	316	-	316
Net movement in funds		89	207	(327)	(31)
Reconciliation of funds					
Total funds brought forward		102	(1,040)	11,868	10,930
Total funds carried forward		191	(833)	11,541	10,899