

Company Registration No. 10859049 (England and Wales)

**THE ILLUMINARE MULTI ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**CONSOLIDATED**  
**ANNUAL REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

# THE ILLUMINARE MULTI ACADEMY TRUST

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# THE ILLUMINARE MULTI ACADEMY TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Members

- Chair

Mr S Cram  
Mr S Duffy  
Mr P Mackings  
Mr D Moore

- Vice Chair

### Trustees

Mr S Duffy (Chair)  
Miss A Chipchase  
Sir K A Gibson (CEO & Accounting Officer)  
Mr P Mackings  
Mr K I Tunncliffe (Vice Chair)  
Mrs J Pike

### Senior management team

- CEO  
- Head of School  
- Deputy Head Teacher  
- Deputy Head Teacher  
- Deputy Head Teacher  
- Assistant Head Teacher  
- Chief Financial Officer  
- Systems Manager & Timetabler

Sir K Gibson  
Mr D Amos  
Mr J Peel  
Mr R Burroughs  
Mr G Varley  
Miss K Walker  
Miss E Cocker  
Mrs J Quinn

### Company secretary

Miss P Lynn

### Company registration number

10859049 (England and Wales)

### Registered office

Harton Technology College  
Lisle Road  
South Shields  
Tyne & Wear  
NE34 6DL

### Independent auditor

Azets Audit Services  
Wynyard Park House  
Wynyard Avenue  
Wynyard  
Billingham  
TS22 5TB

### Bankers

Lloyds  
101 King Street  
South Shields  
Tyne & Wear  
NE33 1DT

# THE ILLUMINARE MULTI ACADEMY TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### **Solicitors**

Womble Bond Dickinson  
St Ann's Wharf  
112 Quayside  
Newcastle upon Tyne  
Tyne & Wear  
NE1 3DX

# THE ILLUMINARE MULTI ACADEMY TRUST

## TRUSTEES' REPORT

### *FOR THE YEAR ENDED 31 AUGUST 2020*

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

The academy trust operates an academy for pupils aged 11 to 19 serving a catchment area in South Shields. The Academy has a pupil capacity of 1650 and had a roll of 1654 in the school census on 19 October 2020.

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

##### Constitution

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

The directors of The Illuminare Multi Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as The Illuminare Multi Academy Trust. The Illuminare Multi Academy Trust is a multi academy trust consisting of Harton Academy.

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

##### Members' liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10.00, for the debts and liabilities contracted before they ceased to be a member.

##### Trustees' indemnities

The Trust has joined the Education Funding Agency's Risk Protection Arrangement (RPA) to protect the Trust's Member's, Directors and Governors from claims which may arise from any negligence or errors which may occur whilst on Academy business.

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

The members may appoint by ordinary resolution up to 8 Trustees.

The total number of Trustees, including the Chief Executive Officer, who are employees of the Academy Trust shall not exceed one third of the total number of Trustees.

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

The training and induction provided for new Directors will depend on their existing experience. Where necessary, induction and training will be provided on educational, legal and financial matters.

All new Directors will be offered a tour of the academy and the opportunity to meet with staff and students. All Directors will be provided with copies of policies, procedures, minutes, accounts, budgets and other documents that they will require to undertake their role as Directors.

# THE ILLUMINARE MULTI ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### Organisational structure

##### **The Board of Directors has three core functions:**

Ensuring clarity of vision, ethos and strategic direction; Holding the Head Teachers of the schools in the MAT to account for the educational performance of the MAT and all its pupils and the performance management of all staff; and overseeing the financial performance of the MAT and making sure its money is well spent.

##### **Frequency of meetings**

There should be a minimum of three meetings in each school year.

##### **Membership and Quorum**

The Chair and Vice Chair of the MAT Board will be elected on an annual basis at the first meeting in the autumn term. No Director employed by the Trust will act as Chair or Vice Chair. In the absence of the Chair and Vice Chair, the Board will elect a temporary replacement from among the Directors who are present at the meeting.

The Clerk to the MAT Board is appointed by the Board of Directors.

The quorum is three members of the Board.

##### **Meetings**

The Clerk to the MAT Board will circulate an agenda for each meeting (with supporting documents if available) not later than seven clear days before each Board Meeting.

Attendance at each Board Meeting, issues discussed and recommendations for decisions will be recorded. The written record will be included on the agenda of the next meeting of the Board of Directors.

In the event of a need to make genuinely urgent decisions between meetings of the Board of Directors in terms of matters falling within the remit of the Board, the Chair will take appropriate action on behalf of the Board.

##### **Terms of Reference**

1. To ensure compliance with the provisions of the Funding Agreements with the Secretary of State.
2. To ensure compliance with all statutory regulations and Acts of Parliament governing the operation of the academies in the Trust.
3. To carry out an annual review of The Scheme of Delegation.
4. The determination of procurement policies for the Company.
5. Oversight of the finances of the Trust and maintenance of standards at the Academies.
6. The determination of the corporate planning and strategy for the Trust and the Academies in consultation with the Local Governing Bodies.
7. The determination, after consultation with the Local Governing Bodies, of the extent of the services provided by the Trust to each Academy and how the costs should be allocated.
8. The appointment of internal and external auditors.
9. The appointment of Directors other than Community Directors.
10. The appointment of the Clerk and the Company Secretary.
11. The appointment of the Trust's Accounting Officer.
12. The determination of the published admission number, admissions policy and admission arrangements for each Academy in accordance with the School Admissions Code.
13. The appointment of the Chief Executive Officer.
14. The appointment of the Head Teacher / Head of School of each Academy in consultation with the relevant Local Governing Body.
15. To determine all human resources policies and procedures and terms and conditions of service.

# THE ILLUMINARE MULTI ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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The Board of Directors has delegated the following functions to its committees:

#### To the Finance, Estates & Staffing Committee

1. To set the policy for generation of business income at each Academy.
2. To agree each Academy's annual funding in consultation with the relevant Local Governing Body.
3. To ensure compliance with the Academies Financial Handbook.
4. To determine the cash-flow policy for the Trust and the Academies.
5. To monitor income and expenditure for the Trust and the Academies.
6. To set financial targets for each financial year.
7. The determination of any additional financial and reporting targets for the Trust and the Academies.
8. To carry out performance management of all staff at Harton Academy including the Head of School.
9. Insuring of land and buildings.
10. The maintenance and review of a fixed asset register.

#### To the Standards Committee

1. To ensure that the curriculum complies with the legal and funding agreement requirements.
2. To ensure behavior policies are applied consistently.
3. To determine and apply attendance and punctuality protocols and procedures.
4. Maintenance of academic standards at the Academies.

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

The Trustees consider the Pay Policy and Performance Management Policy of the school annually. The CEO/ Executive Head Teacher also brings to the discussion the pay and remuneration of key management personnel.

The pay and remuneration of the CEO/Executive Head Teacher is considered by the Chair in discussion with the Vice Chair of the Board and recommendations are made to the Board of Directors and the final approval/ ratification given if agreed.

#### Trade union facility time

##### *Relevant union officials*

|  |      |
|--|------|
| Number of employees who were relevant union officials during the relevant period | 1    |
| Full-time equivalent employee number   | 1.00 |

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

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

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

|   |               |
|---|---------------|
| Total cost of facility time                             | £3,424.98     |
| Total pay bill  | £7,731,927.10 |
| Percentage of the total pay bill spent on facility time | 0.044%        |

##### *Paid trade union activities*

|   |     |
|---|-----|
| Time spent on paid trade union activities as a percentage of total paid facility time hours | Nil |
|---|-----|

# THE ILLUMINARE MULTI ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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

Illuminate Business Services Limited is a 100% subsidiary of The Illuminate Multi Academy Trust. Currently the principle activity of Illuminate Business Services is the operation of a private members' gym and community sporting facility.

#### **Objectives and activities**

##### Objects and aims

The Academy Trust's objects are specifically restricted to the following:

- To advance, for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum or educational institutions which are principally concerned with providing full-time or part-time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them or 16 to 19 Academies offering a curriculum appropriate to the needs of its students or schools specially organised to make special educational provision for pupils with Special Educational Needs.
- To promote the benefit of the inhabitants of the areas which the Academies are situated, the provision or facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

##### Objectives, strategies and activities

The main aim of the Academy is to improve the educational outcomes for all students, regardless of their ability, background or special educational needs.

The Academy has a rolling programme of school improvement activities with all subject leaders held to account by the Executive Head for their curriculum intent, implementation and impact. This is summarised in the Academy Self Evaluation Form (SEF), completed annually and updated during the course of the year. Action points from the evaluation are then pursued and detailed in the School Improvement Plan (SIP) which is updated during the course of the year.

The School Improvement Plan covers 5 main areas, including sixth form, with specific Aims and Objectives linked to each one:

There are five strands to the plan, each led by members of the Senior Leadership Team:

1. **Improve the Quality of Education (SKG/GJP/KAW/JQ) at Harton so that we retain the outstanding judgement in the future, by:**
  - a) Ensuring that our curriculum is carefully planned and articulated and takes account of any gaps in knowledge of our students due to COVID-19 and the missed education in the past few months, and if they have to self-isolate in the coming months (curriculum intent).
  - b) Improving all of our students' literacy skills further so that they are able to access their learning in all subjects (curriculum implementation).
  - c) Ensuring that any assessment of students enables accurate predictions of future performance, especially in light of the Centre Assessed Grades in 2020 (curriculum impact).
  - d) Developing the most effective and appropriate teaching and learning strategies, which ensure that a full curriculum can be covered via a blended learning approach should students miss chunks of time due to self-isolation (curriculum implementation).
  - e) Ensuring that the disadvantaged students, and students with special educational needs or disabilities, make better progress, at least in line with similar groups nationally (curriculum impact).
  - f) Improving the performance of students in under-performing subject areas so that they are commensurate with the best (curriculum impact).



# THE ILLUMINARE MULTI ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

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**2. Improve the Behaviour and Attitudes (GV/DRA) of all students by:**

- a) Ensuring that year 7 students are well aware of Harton's high expectations and insistence on the highest standards of behaviour at all times.
- b) Improving the attendance and punctuality of key groups of students, particularly the disadvantaged students and those with SEND.
- c) Ensuring that students are fully aware of the need to embrace home learning, particularly during periods of enforced self-isolation.
- d) Attempting to eradicate all forms of bullying, including Cyber-bullying, from school life and ensuring that any incidents of bullying continue to be dealt with promptly and effectively.
- e) Continuing to utilise internal exclusion measures as opposed to excluding students (fixed term or permanent), wherever possible.
- f) Continue to develop relationships, and strategies, with all local schools, in order to ensure that the highest standards of behaviour are maintained.

**3. Build upon the fabulous Personal Development (GV/RTB/HoYs) opportunities given by the school by:**

- a) Raising the awareness of mental health issues, including those associated with COVID-19 and potential periods of self-isolation.
- b) Encouraging participation in a wide range of extra-curricular activities when feasible, such as art, dance, drama, music, sport, D of E, trips.
- c) Continuing to develop and embed a Careers programme across all year groups (using UNIFROG and GROFAR) that empowers young people to take control of their lives and develop the key transferable skills and attributes that are so important in the current and future work place.
- d) Raising aspirations and focusing on personal development through the Personal Development Award and lessons in year 7.

**4. Ensure all members of staff with Leadership (SKG/DRA) responsibilities are able to meet the school's high expectations of outstanding leadership, by:**

- a) Ensuring clarity in:
  - (i) Roles and responsibilities
  - (ii) The standards of performance expected
- b) Continuing to recruit and retain outstanding staff with the ambition, drive and potential to be outstanding leaders.
- c) Ensuring that the programme of CPD is relevant to the current needs of staff to cope with the demands of e-learning and other relevant needs.

**5. Continue to maintain the high standards within the sixth form (RTB/KB) at Harton, by:**

- a) Ensuring that any whole school work on curriculum, teaching and learning, and behaviour and attitudes includes specific and identifiable elements tailored to the needs of post 16 learners (curriculum intent).
- b) Developing appropriate training and CPD opportunities specifically for those involved in teaching post 16 (curriculum implementation).
- c) Developing online study skill and progression support to maintain high aspirations and positive progression.

### Public benefit

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

# THE ILLUMINARE MULTI ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### Strategic report

#### Key performance indicators

#### A-Level – Headline Figures 2020

Overall 1+ A\*-E (or equivalent passes) = 100%

Overall 3+ A\*-E (or equivalent passes) = 100%

Average grade per entry= B-

Value added = +0.24

#### School KS4 Examination Results - 2020

Number of students in school aged 15+: 271

Number of students in school aged 15+ not entered for GCSE: 0

#### Headline Figures 2020:

Attainment 8 = 48.9

Progress 8 = +0.10

Basics 9-5 (Maths and English) = 47.2%

Basics 9-4 (Maths and English) = 68.3%

#### GCSE Subject Results By Subject

| Name                | Total Grades | Ave Pts     | Residual     | Subject Progress Index |
|---------------------|--------------|-------------|--------------|------------------------|
| Art: Fine Art       | 33           | 4.85        | 0.60         | 0.11                   |
| Art: Photography    | 58           | 5.29        | 0.63         | 0.34                   |
| Business            | 28           | 5.36        | 0.07         | 0.42                   |
| Computer Science    | 62           | 4.77        | -0.91        | 0.45                   |
| Design Technology   | 20           | 5.25        | -0.30        | 0.32                   |
| DT Food & Nutrition | 23           | 3.78        | 0.57         | -0.09                  |
| DT Textiles         | 14           | 3.64        | -0.23        | -0.77                  |
| English Language    | 268          | 4.74        | 0.00         | -0.01                  |
| English Literature  | 267          | 4.84        | 0.09         | 0.04                   |
| Geography           | 143          | 4.87        | -0.24        | 0.01                   |
| History             | 123          | 4.77        | -0.15        | 0.35                   |
| Maths               | 269          | 4.83        | 0.10         | 0.13                   |
| Maths (Further)     | 40           | 7.03        | -0.23        | 0.35                   |
| Media               | 29           | 5.03        | -0.36        | -0.11                  |
| MFL: French         | 47           | 4.87        | -1.02        | 0.16                   |
| MFL: Spanish        | 49           | 5.24        | -1.17        | 0.05                   |
| Music               | 34           | 6.74        | 1.58         | 1.83                   |
| RE                  | 250          | 4.66        | -0.25        | -0.30                  |
| Science: Biology    | 41           | 7.56        | 0.30         | 0.89                   |
| Science: Chemistry  | 42           | 7.38        | 0.15         | 0.83                   |
| Science: Physics    | 42           | 7.31        | 0.08         | 0.70                   |
| <b>Summary</b>      | <b>1882</b>  | <b>5.07</b> | <b>-0.06</b> | <b>0.13</b>            |

# THE ILLUMINARE MULTI ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 9-1 GCSE Double Award (Att8 Points)

| Name           | Total Grades | Ave Pts     | Residual    | Subject Progress Index |
|----------------|--------------|-------------|-------------|------------------------|
| Science        | 452          | 4.33        | 0.05        | 0.18                   |
| <b>Summary</b> | <b>452</b>   | <b>4.33</b> | <b>0.05</b> | <b>0.18</b>            |

### BTEC Technical Award (Att8 Points)

| Name                 | Total Grades | Ave Pts     | Residual    | Subject Progress Index |
|----------------------|--------------|-------------|-------------|------------------------|
| Health & Social BTEC | 16           | 4.44        | 1.15        | 0.04                   |
| ICT BTEC             | 17           | 4.10        | 0.02        | 0.71                   |
| Travel & Tourism     | 16           | 5.88        | 1.65        | 0.86                   |
| <b>Summary</b>       | <b>49</b>    | <b>4.79</b> | <b>0.92</b> | <b>0.54</b>            |

### CNAT (Att8 Points)

| Name             | Total Grades | Ave Pts     | Residual    | Subject Progress Index |
|------------------|--------------|-------------|-------------|------------------------|
| Business CNAT    | 30           | 4.06        | 0.34        | 0.49                   |
| C&M Diploma      | 12           | 3.92        | 0.60        | 0.47                   |
| Dt Systems CNAT  | 11           | 4.50        | -0.54       | -1.10                  |
| Engineering CNAT | 44           | 4.18        | 0.45        | 0.63                   |
| iMedia           | 152          | 3.93        | 0.02        | 0.49                   |
| PE CNAT          | 38           | 5.30        | 0.47        | 0.25                   |
| <b>Summary</b>   | <b>287</b>   | <b>4.19</b> | <b>0.18</b> | <b>0.42</b>            |

### Going concern

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

# THE ILLUMINARE MULTI ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### Financial review - Academy Trust

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention as the amount of carry forward is restricted. In the period under review £874,738 of GAG funding was carried forward representing 10.6% of GAG income in the period.

Other key financial performance indicators are staffing costs as a percentage of GAG and staffing costs as a percentage of total income. For the 2019/20 financial year these were 99% and 80% respectively.

Most of the Trust's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2020 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Trust also receives grants for fixed assets from the DfE and these are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Trust's accounting policies.

The financial impact of Covid-19 during the period under review has been minimal. The impact of the school closure meant that there have been areas where there was significantly less expenditure compared to previous years. However, there have also been areas where there has been additional expenditure especially around health and safety. There is a lot of uncertainty going forward around the financial impact of Covid-19.

During the period ended 31 August 2020, total expenditure of £9,796,091 was covered by recurrent grant funding from the DfE, together with other incoming resources of £10,160,218. The excess of income over expenditure for the period (excluding restricted fixed asset funds and LGPS movements) was a surplus of £266,415.

At 31 August 2020 the net book value of fixed assets was £23,776,224 and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust.

The Trust has taken on the deficit in the Local Government Pension Scheme in respect of its support staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 20 to the financial statements.

#### Reserves policy

There are a number of constraints placed upon academies, in terms of financial management. One of these constraints is the inability to borrow funds. This constraint represents a key risk to Illuminare Multi Academy Trust ("The Trust") in relation to financial planning and monitoring.

One of the ways in which the Trust mitigates this risk is through the effective management of reserves, which provide alternative temporary funding streams, should there be a delay in grant receipts or a sudden unforeseen increase in expenditure. Setting a reserves policy helps inform the way in which the Trust manages its cash, liquid assets and debt.

The financial risks have been reviewed in terms of impact and likelihood, as part of the strategic risk management process. The main financial risk to the Trust is that of managing its short-term cash flow effectively. To mitigate this risk, it has been agreed that an appropriate minimum reserves balance would equate to 5% of the GAG income. In broad terms, this would equate to approximately £410,000. At the end of the financial year ending 31 August 2020 the reserves figure was £1,010,957

# THE ILLUMINARE MULTI ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### Investment policy

The Academy's Treasury Management Policy includes:

- the management of the Illuminare Multi-Academy Trust's ("The Trust") cash flows, banking and investment transactions,
- the management of the risks associated with these activities
- the pursuit of optimal returns consistent with those risks

The objectives of this policy are to ensure that the academy trust:

- maintains sufficient cash balances in its current account to meet its day to day commitments
- invests surplus cash to earn an acceptable rate of return without undue risk
- Complies with the Academies Financial Handbook and ensures that security of funds takes precedence over revenue maximisation
- considers spreading risk between differing institutions to reduce risk

The CEO and Trust Board have overall responsibility for the security and management of funds. The day-to-day management of the treasury function is controlled by the CFO. The CFO will liaise with the CEO and Trust Board in relation to investment decisions.

Currently the Trust has no long-term investments and operates an interest bearing current account.

### Principal risks and uncertainties

The Trust faces several risks and uncertainties some of which are outside the Trust's control. However, the Trust manages these risks by implementing comprehensive risk management systems. The Directors and the Senior Leadership team work together to evaluate and assess the major risks to which the Trust may be exposed. These major risks are itemised on the Trust's Risk Register and the register forms the basis risk monitoring.

One of the principle areas of risk is regarding financial uncertainty. Whilst the principle of prudence has been applied to the budget setting process, the budget plan is still subject to a number of uncertainties and risks that are outside the control of the school. These risks include:

#### Other Income

- that predicted future pupil numbers for both KS3&4 and 6th form prove to be incorrect
- the profile of pupil premium pupils differs and reduces funding
- changes to funding levels (e.g. NFF, teachers' salary grant, teachers' pension grant)
- changes to take up in meals which could considerably impact on catering income

#### Expenditure

- that unforeseen capital expenditure such as significant building repairs will be required
- that assumptions in relation to pay awards and inflation may prove to be incorrect
- inflationary increases for non-staffing expenditure may not prove sufficient in all areas
- trading Subsidiary pension position due to TWPF change in position
- that COVID-19 may bring additional expenditure with regards to health and safety

#### Fundraising

Currently the Trust does not operate any fund raising activities whose purpose is to raise money for the Trust.

Small fund raising events, such as non-uniform days and cake sales, take place to raise funds for external charities. All funds collected during these events are passed in their entirety to the charity in question. When fund raising on behalf of other charities their guidance is followed.

# THE ILLUMINARE MULTI ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### **Plans for future periods**

The School Development Plan 2021-22 and Self Evaluation Form (SEF) include the details relating to our context, performance, whole-school and future plans.

Each subject leader within school has also prepared their individual departmental plans and self-evaluations in order to ensure whole-school priorities are encompassed within each department.

The overall objective of the school is to continue to improve the progress and attainment levels of children within our care. Changes to examination frameworks have been integrated as required (grades 9-1), into all subjects now.

Future development of the MAT will be dependent upon need and whether the Academy is approached by the DfE or Regional Schools Commissioner to work with other schools who could potentially join the MAT. There have previously been discussions about possible mergers with other, larger MATs.

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

No assets or funds are held on behalf of others.

### **Auditor**

In so far as the trustees are aware:

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

A resolution proposing that Azets Audit Services be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 20 January 2021 and signed on its behalf by:

Mr S Duffy  
Chair



# THE ILLUMINARE MULTI ACADEMY TRUST

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### Scope of responsibility

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

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

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

### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 6 times during the year. These meetings have also incorporated the functions of both the Finance, Estates and Staffing and the Standards Committees. Attendance during the year at meetings of the board of trustees was as follows:

| Trustees                                  | Meetings attended | Out of possible |
|---|-------------------|-----------------|
| Mr S Duffy (Chair)                        | 6                 | 6               |
| Miss A Chipchase                          | 6                 | 6               |
| Sir K A Gibson (CEO & Accounting Officer) | 6                 | 6               |
| Mr P Mackings                             | 5                 | 6               |
| Mr K I Tunncliffe (Vice Chair)            | 6                 | 6               |
| Mrs J Pike                                | 3                 | 6               |

In September 2020 the Academy Trust carried out a skills audit based on the NGA's Competency Framework for Governance. The results of this were evaluated by the Leadership & Governance Manager and fed back to the Board at their meeting on 18 November 2020.

In summary all Directors indicated they were committed to the vision and ethos of the Trust, with other key strengths identified as professionalism, communication and an awareness of the need for and promotion of equality and diversity.

The audit identified very few areas where further support and/or development of Trust governance was required.

### Review of value for money

The accounting officer for the academy trust has delivered improved value for money during the year by:

1. Reducing the school annual expenditure on staff absence insurance even further.
2. Implementing further staffing reductions where possible, both teaching and support staff.
3. Continuing to control the spending by subject leaders and others.
4. Working with the Executive Chef to continue to improve the catering at Harton, both in terms of making savings and improving the quality of the offer
5. A further review of expenditure on utilities, in conjunction with the LA and also in-house.

# THE ILLUMINARE MULTI ACADEMY TRUST

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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All of the above strategies will ensure that more can be spent on improving the outcomes for our students (as described in our annual school improvement plan). Many of the above are efficiency savings and have ensured that we can still maintain our outstanding status and therefore provide even greater value for money. Class sizes and contact ratios have increased slightly but remain below local and national figures. This ensures that the students receive the best possible education and that the school is in a strong position to retain and recruit the best possible staff.

The staff absence insurance includes wellness cover for our staff, physiotherapy and counselling should the need arise. Our staff absence is therefore well below national averages and ensures the students get the best possible teaching and minimal disruption due to supply teachers or other cover teachers.

Whenever a member of staff leaves, we do not automatically replace like for like, but always take opportunity to review the staffing complement. If a saving can be made, which does not impact negatively on the students, then that increases our value for money.

Subject leaders are required to examine their purchasing and only buy essential items. Any bids have to be approved by the Deputy Headteacher (Curriculum) and/or the Executive Headteacher.

The Catering has been completely overhauled and we believe that further savings will be made via some sensible re-negotiating of contracts by our Executive Chef.

It is hoped that with greater vigilance by staff and by reviewing our utilities suppliers, we can make further savings.

#### **The purpose of the system of internal control**

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

#### **Capacity to handle risk**

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

#### **The risk and control framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks



# THE ILLUMINARE MULTI ACADEMY TRUST

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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The board of trustees has considered the need for a specific internal audit function and has decided:

- not to appoint an internal auditor. However the trustees have appointed Azets, the external auditor, to perform additional checks

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

- Accounts and reconciliations
- Risk management
- Purchasing
- Income
- Payroll and expenses
- Bank and cash
- Fixed assets and capital projects
- Management of data
- Corporate governance and regularity

Three times a year, Azets the reviewer reports to the board of trustees, through the Estates & Staffing Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. Over the 2019/20 period no high level risks were identified.

For the year 2020/21, Clive Owen LLP, has been appointed for internal audit to comply with the new ethical rules on separating the internal and external auditors.

#### Review of effectiveness

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

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

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

Approved by order of the board of trustees on 20 January 2021 and signed on its behalf by:



Mr S Duffy  
Chair



Sir K A Gibson  
CEO & Accounting Officer

# THE ILLUMINARE MULTI ACADEMY TRUST

## STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

**FOR THE YEAR ENDED 31 AUGUST 2020**

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As accounting officer of The Illuminare Multi Academy Trust, I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with 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 2019.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2019.

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.



Sir K A Gibson  
**Accounting Officer**

20 January 2021

# THE ILLUMINARE MULTI ACADEMY TRUST

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

***FOR THE YEAR ENDED 31 AUGUST 2020***

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

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

In preparing these accounts, the trustees are required to:

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

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

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

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

Approved by order of the members of the board of trustees on 20 January 2021 and signed on its behalf by:

Mr S Duffy  
Chair



# THE ILLUMINARE MULTI ACADEMY TRUST

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

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### Opinion

We have audited the accounts of The Illuminare Multi Academy Trust (the 'parent academy') and its subsidiaries (the 'group') which comprise the consolidated Statement of Financial Activities incorporating Income and Expenditure Account, the Consolidated and Academy Trust balance sheets, the Consolidated Statement of Cash Flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

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

### Basis for opinion

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

### Conclusions relating to going concern

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

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

### Other information

The trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

# THE ILLUMINARE MULTI ACADEMY TRUST

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

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

### **Matters on which we are required to report by exception**

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

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

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

### **Responsibilities of trustees**

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

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

### **Auditor's responsibilities for the audit of the accounts**

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

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

# THE ILLUMINARE MULTI ACADEMY TRUST

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

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### Use of our report

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

*Azets Audit Services*

**Graham Fitzgerald BA FCA DChA (Senior Statutory Auditor)  
for and on behalf of Azets Audit Services**

*25 January 2021*  
.....

**Statutory Auditor**

Wynyard Park House  
Wynyard Avenue  
Wynyard  
Billingham  
TS22 5TB

# THE ILLUMINARE MULTI ACADEMY TRUST

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

*FOR THE YEAR ENDED 31 AUGUST 2020*

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In accordance with the terms of our engagement letter dated 25 September 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Illuminare Multi Academy Trust during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

### **Respective responsibilities of The Illuminare Multi Academy Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of The Illuminare Multi Academy Trust's funding agreement with the Secretary of State for Education dated 30 August 2017 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

### **Approach**

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

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

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

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

# THE ILLUMINARE MULTI ACADEMY TRUST

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

**FOR THE YEAR ENDED 31 AUGUST 2020**

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The work undertaken to draw to our conclusion includes:

- completion of self assessment questionnaire by Accounting Officer
- discussions with the Accounting Officer and finance team
- review of Internal Assurance report
- review of trustee and committee meeting minutes
- review of finance and other relevant policies
- review of purchases, expenses and expense claims on a sample basis including the application of controls and tendering processes where applicable
- review of gifts and hospitality transactions including the application of controls
- review of credit and debit card transactions including the application of controls
- review of payroll transactions on a sample bases including the application of controls
- review of potential special payments to staff
- review of leases and consideration of areas where borrowing may have been incurred
- consideration of transactions with related and connected parties
- review of register of business interests for completeness and compliance with regulations
- enquiries into transactions that may require disclosure under ESFA delegated authority rules
- consideration of value for money and appropriateness of transactions

### Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Azets Audit Services*

**Reporting Accountant**

Azets Audit Services

Dated: *25 January 2021*



# THE ILLUMINARE MULTI ACADEMY TRUST

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

|   | Notes | Unrestricted funds<br>£ | Restricted funds:<br>General | Fixed asset<br>£ | Total<br>2020<br>£ | Total<br>2019<br>£ |
|---|-------|-------------------------|------------------------------|------------------|--------------------|--------------------|
| <b>Income and endowments from:</b>                  |       |                         |                              |                  |                    |                    |
| Donations and capital grants                        | 3     | 44,732                  | 21,576                       | 32,834           | 99,142             | 139,192            |
| Charitable activities:                              |       |                         |                              |                  |                    |                    |
| - Funding for educational operations                | 4     | 245,861                 | 9,446,769                    | -                | 9,692,630          | 9,265,304          |
| - Funding for teaching schools                      | 27    | 138,750                 | 243,391                      | -                | 382,141            | 392,240            |
| Other trading activities                            | 5     | 219,673                 | -                            | -                | 219,673            | 452,238            |
| Investments   | 6     | 1,651                   | -                            | -                | 1,651              | 576                |
| <b>Total</b>  |       | 650,667                 | 9,711,736                    | 32,834           | 10,395,237         | 10,249,550         |
| <b>Expenditure on:</b>                              |       |                         |                              |                  |                    |                    |
| Raising funds                                       | 7     | 209,552                 | -                            | -                | 209,552            | 364,535            |
| Charitable activities:                              |       |                         |                              |                  |                    |                    |
| - Educational operations                            | 8     | 208,883                 | 9,539,852                    | 468,584          | 10,217,319         | 9,801,272          |
| - Teaching schools                                  |       | 57,326                  | 305,150                      | -                | 362,476            | 351,980            |
| <b>Total</b>  | 7     | 475,761                 | 9,845,002                    | 468,584          | 10,789,347         | 10,517,787         |
| <b>Net income/(expenditure)</b>                     |       | 174,906                 | (133,266)                    | (435,750)        | (394,110)          | (268,237)          |
| Transfers between funds                             | 18    | -                       | (64,878)                     | 64,878           | -                  | -                  |
| <b>Other recognised gains/(losses)</b>              |       |                         |                              |                  |                    |                    |
| Actuarial losses on defined benefit pension schemes | 20    | -                       | (1,144,000)                  | -                | (1,144,000)        | (976,000)          |
| <b>Net movement in funds</b>                        |       | 174,906                 | (1,342,144)                  | (370,872)        | (1,538,110)        | (1,244,237)        |
| <b>Reconciliation of funds</b>                      |       |                         |                              |                  |                    |                    |
| Total funds brought forward                         |       | (60,217)                | (3,323,588)                  | 24,147,096       | 20,763,291         | 22,007,528         |
| Total funds carried forward                         |       | 114,689                 | (4,665,732)                  | 23,776,224       | 19,225,181         | 20,763,291         |

# THE ILLUMINARE MULTI ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2020

| Comparative year information<br>Year ended 31 August 2019 | Notes    | Unrestricted<br>funds<br>£ | Restricted funds:<br>General | Fixed asset<br>£ | Total<br>2019<br>£ |
|---|----------|----------------------------|------------------------------|------------------|--------------------|
| <b>Income and endowments from:</b>                        |          |                            |                              |                  |                    |
| Donations and capital grants                              | 3        | 2,375                      | 19,089                       | 117,728          | 139,192            |
| Charitable activities:                                    |          |                            |                              |                  |                    |
| - Funding for educational operations                      | 4        | 335,973                    | 8,929,331                    | -                | 9,265,304          |
| - Funding for teaching schools                            | 27       | 31                         | 392,209                      | -                | 392,240            |
| Other trading activities                                  | 5        | 452,238                    | -                            | -                | 452,238            |
| Investments   | 6        | 576                        | -                            | -                | 576                |
| <b>Total</b>  |          | <b>791,193</b>             | <b>9,340,629</b>             | <b>117,728</b>   | <b>10,249,550</b>  |
| <b>Expenditure on:</b>                                    |          |                            |                              |                  |                    |
| Raising funds   | 7        | 364,535                    | -                            | -                | 364,535            |
| Charitable activities:                                    |          |                            |                              |                  |                    |
| - Educational operations                                  | 8        | 379,077                    | 9,001,927                    | 420,268          | 9,801,272          |
| - Teaching schools  |          | -                          | 351,980                      | -                | 351,980            |
| <b>Total</b>  | <b>7</b> | <b>743,612</b>             | <b>9,353,907</b>             | <b>420,268</b>   | <b>10,517,787</b>  |
| <b>Net income/(expenditure)</b>                           |          | <b>47,581</b>              | <b>(13,278)</b>              | <b>(302,540)</b> | <b>(268,237)</b>   |
| Transfers between funds                                   | 18       | -                          | (20,070)                     | 20,070           | -                  |
| <b>Other recognised gains/(losses)</b>                    |          |                            |                              |                  |                    |
| Actuarial losses on defined benefit pension schemes       | 20       | -                          | (976,000)                    | -                | (976,000)          |
| <b>Net movement in funds</b>                              |          | <b>47,581</b>              | <b>(1,009,348)</b>           | <b>(282,470)</b> | <b>(1,244,237)</b> |
| <b>Reconciliation of funds</b>                            |          |                            |                              |                  |                    |
| Total funds brought forward                               |          | (107,798)                  | (2,314,240)                  | 24,429,566       | 22,007,528         |
| Total funds carried forward                               |          | (60,217)                   | (3,323,588)                  | 24,147,096       | 20,763,291         |

# THE ILLUMINARE MULTI ACADEMY TRUST

## BALANCE SHEET

AS AT 31 AUGUST 2020

| CONSOLIDATED BALANCE SHEET                     |       | 2020        |   | 2019        |   |
|--|-------|-------------|---|-------------|---|
|  | Notes | £           | £ | £           | £ |
| <b>Fixed assets</b>                            |       |             |   |             |   |
| Tangible assets                                | 12    | 23,776,224  |   | 24,147,096  |   |
| <b>Current assets</b>                          |       |             |   |             |   |
| Stocks   | 14    | 6,033       |   | 3,763       |   |
| Debtors  | 15    | 456,048     |   | 242,868     |   |
| Cash at bank and in hand                       |       | 1,117,267   |   | 955,223     |   |
|  |       | 1,579,348   |   | 1,201,854   |   |
| <b>Current liabilities</b>                     |       |             |   |             |   |
| Creditors: amounts falling due within one year | 16    | (568,391)   |   | (478,659)   |   |
| <b>Net current assets</b>                      |       | 1,010,957   |   | 723,195     |   |
| <b>Net assets excluding pension liability</b>  |       | 24,787,181  |   | 24,870,291  |   |
| Defined benefit pension scheme liability       | 20    | (5,562,000) |   | (4,107,000) |   |
| <b>Total net assets</b>                        |       | 19,225,181  |   | 20,763,291  |   |
| <b>Funds of the academy trust:</b>             |       |             |   |             |   |
| <b>Restricted funds</b>                        | 18    |             |   |             |   |
| - Fixed asset funds                            |       | 23,776,224  |   | 24,147,096  |   |
| - Restricted income funds                      |       | 896,268     |   | 783,412     |   |
| - Pension reserve                              |       | (5,562,000) |   | (4,107,000) |   |
| <b>Total restricted funds</b>                  |       | 19,110,492  |   | 20,823,508  |   |
| <b>Unrestricted income funds</b>               | 18    | 114,689     |   | (60,217)    |   |
| <b>Total funds</b>                             |       | 19,225,181  |   | 20,763,291  |   |

The accounts on pages 23 to 49 were approved by the trustees and authorised for issue on 20 January 2021 and are signed on their behalf by:

Mr S Duffy  
Chair



Company Number 10859049

# THE ILLUMINARE MULTI ACADEMY TRUST

## BALANCE SHEET (CONTINUED)

AS AT 31 AUGUST 2020

| ACADEMY TRUST BALANCE SHEET                    |       | 2020        |   | 2019        |   |
|--|-------|-------------|---|-------------|---|
|  | Notes | £           | £ | £           | £ |
| <b>Fixed assets</b>                            |       |             |   |             |   |
| Tangible assets                                | 12    | 23,776,224  |   | 24,147,096  |   |
| Investments                                    | 13    |             | 1 |             | 1 |
|  |       | 23,776,225  |   | 24,147,097  |   |
| <b>Current assets</b>                          |       |             |   |             |   |
| Stocks   | 14    | 6,033       |   | 3,763       |   |
| Debtors  | 15    | 442,100     |   | 264,348     |   |
| Cash at bank and in hand                       |       | 1,098,326   |   | 916,768     |   |
|  |       | 1,546,459   |   | 1,184,879   |   |
| <b>Current liabilities</b>                     |       |             |   |             |   |
| Creditors: amounts falling due within one year | 16    | (557,809)   |   | (462,644)   |   |
| <b>Net current assets</b>                      |       | 988,650     |   | 722,235     |   |
| <b>Net assets excluding pension liability</b>  |       | 24,764,875  |   | 24,869,332  |   |
| Defined benefit pension scheme liability       | 20    | (5,405,000) |   | (3,791,000) |   |
| <b>Total net assets</b>                        |       | 19,359,875  |   | 21,078,332  |   |
| <b>Funds of the academy trust:</b>             |       |             |   |             |   |
| <b>Restricted funds</b>                        | 18    |             |   |             |   |
| - Fixed asset funds                            |       | 23,776,224  |   | 24,147,096  |   |
| - Restricted income funds                      |       | 996,328     |   | 783,412     |   |
| - Pension reserve                              |       | (5,405,000) |   | (3,791,000) |   |
| <b>Total restricted funds</b>                  |       | 19,367,552  |   | 21,139,508  |   |
| <b>Unrestricted income funds</b>               | 18    | (7,677)     |   | (61,176)    |   |
| <b>Total funds</b>                             |       | 19,359,875  |   | 21,078,332  |   |

The accounts on pages 23 to 49 were approved by the trustees and authorised for issue on 20 January 2021 and are signed on their behalf by:

Mr S Duffy  
Chair



Company Number 10859049

# THE ILLUMINARE MULTI ACADEMY TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

|  | Notes | 2020<br>£ | £         | 2019<br>£ | £        |
|--|-------|-----------|-----------|-----------|----------|
| <b>Cash flows from operating activities</b>                              |       |           |           |           |          |
| Net cash provided by operating activities                                | 21    |           | 225,271   |           | 574,693  |
| <b>Cash flows from investing activities</b>                              |       |           |           |           |          |
| Dividends, interest and rents from investments                           |       | 1,651     |           | 576       |          |
| Capital grants from DfE Group  |       | 32,834    |           | 117,728   |          |
| Purchase of tangible fixed assets  |       | (97,712)  |           | (186,604) |          |
| <b>Net cash used in investing activities</b>                             |       |           | (63,227)  |           | (68,300) |
| <b>Net increase in cash and cash equivalents in the reporting period</b> |       |           | 162,044   |           | 506,393  |
| Cash and cash equivalents at beginning of the year                       |       |           | 955,223   |           | 448,830  |
| <b>Cash and cash equivalents at end of the year</b>                      |       |           | 1,117,267 |           | 955,223  |

# THE ILLUMINARE MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### 1 Accounting policies

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

##### 1.1 Basis of preparation

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

##### 1.2 Going concern

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

##### 1.3 Income

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

###### Grants

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

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

###### Sponsorship income

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

###### Donations

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

# THE ILLUMINARE MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### 1 Accounting policies

(Continued)

##### Other income

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

##### Donated goods, facilities and services

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

##### Donated fixed assets

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

#### 1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

##### Expenditure on raising funds

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

##### Charitable activities

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

#### 1.5 Tangible fixed assets and depreciation

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

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

# THE ILLUMINARE MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### 1 Accounting policies

(Continued)

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

|                                |          |
|--------------------------------|----------|
| Land and buildings             | 50 years |
| Computer equipment             | 3 years  |
| Fixtures, fittings & equipment | 7 years  |
| Motor vehicles                 | 7 years  |

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

#### 1.6 Liabilities

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

#### 1.7 Leased assets

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

#### 1.8 Financial instruments

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

##### Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

##### Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

#### 1.9 Stock

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



# THE ILLUMINARE MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 1 Accounting policies

(Continued)

#### 1.10 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### 1.11 Pensions benefits

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

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

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

#### 1.12 Fund accounting

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

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

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

### 2 Critical accounting estimates and areas of judgement

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

# THE ILLUMINARE MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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

(Continued)

##### Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

##### McCloud

In 2015 the government introduced reforms to public sector pensions resulting in most public sector workers being transferred to a new scheme. In December 2018, the Court of Appeal ruled that the 'transitional protections' offered to some members of the judges and firefighter schemes as part of the reforms amounted to unlawful discrimination. Following developments in employment tribunals and other public service schemes, and subsequently the consultation on the proposed remedy for the LGPS on 16 July 2020, actuaries have assumed a remedy that an underpin would apply to all those in the scheme on 1 April 2012, will not apply on withdrawal and will apply to spouse's pensions. These assumptions have been reflected in the valuation, with the overall impact dependent on the profile of each employer.

##### GMP

This case related to the equalisation for men and women of guaranteed minimum pension (GMP) for those who were contracted out of the State Second Pension between 6 April 1978 and 6 April 1997. In October 2018 the High Court ruled that equalisation of GMP was required. Allowance has been made in the valuation for members whose state pension age is on or after 6 April 2016.

The values of assets on conversion have been estimated using information available from the local authority, predecessor school and LGPS actuary.

#### 3 Donations and capital grants

|                     | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2020<br>£ | Total<br>2019<br>£ |
|---------------------|----------------------------|--------------------------|--------------------|--------------------|
| Private sponsorship | -                          | 21,576                   | 21,576             | 19,089             |
| Capital grants      | -                          | 32,834                   | 32,834             | 117,728            |
| Other donations     | 44,732                     | -                        | 44,732             | 2,375              |
|                     | <u>44,732</u>              | <u>54,410</u>            | <u>99,142</u>      | <u>139,192</u>     |

# THE ILLUMINARE MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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

|  | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2020<br>£ | Total<br>2019<br>£ |
|--|----------------------------|--------------------------|--------------------|--------------------|
| <b>DfE / ESFA grants</b>               |                            |                          |                    |                    |
| General annual grant (GAG)             | -                          | 8,272,348                | 8,272,348          | 8,132,589          |
| Other DfE group grants                 | -                          | 965,153                  | 965,153            | 680,246            |
|  | -                          | 9,237,501                | 9,237,501          | 8,812,835          |
| <b>Other government grants</b>         |                            |                          |                    |                    |
| Local authority grants                 | -                          | 162,401                  | 162,401            | 116,496            |
| <b>Exceptional government funding</b>  |                            |                          |                    |                    |
| Coronavirus job retention scheme grant | -                          | 46,867                   | 46,867             | -                  |
| <b>Other funding</b>                   |                            |                          |                    |                    |
| Teaching school                        | 138,750                    | 243,391                  | 382,141            | 392,240            |
| Catering income                        | 213,259                    | -                        | 213,259            | 287,658            |
| Other incoming resources               | 32,602                     | -                        | 32,602             | 48,315             |
|  | 384,611                    | 243,391                  | 628,002            | 728,213            |
| <b>Total funding</b>                   | 384,611                    | 9,643,293                | 10,074,771         | 9,657,544          |

Other DfE group grants includes the following:

|                        | 2020<br>£ | 2019<br>£ |
|------------------------|-----------|-----------|
| Pupil Premium          | 507,726   | 520,775   |
| Year 7 Catch Up        | 17,500    | 17,694    |
| Teachers Pay Grant     | 112,260   | 72,226    |
| Teachers Pension Grant | 327,667   | -         |
| Other DfE grants       | -         | 69,551    |
|                        | 965,153   | 680,246   |

The academy trust furloughed some of its staff under the Government's CJRS. The funding received relates to staff costs which are included within note 7 below as appropriate.

# THE ILLUMINARE MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 5 Other trading activities

|                               | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2020<br>£ | Total<br>2019<br>£ |
|-------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Catering income               | 13,296                     | -                        | 13,296             | 18,028             |
| Parental contributions        | -                          | -                        | -                  | 147,652            |
| Trading subsidiary operations | 191,180                    | -                        | 191,180            | 250,317            |
| Other income                  | 15,197                     | -                        | 15,197             | 36,241             |
|                               | <u>219,673</u>             | <u>-</u>                 | <u>219,673</u>     | <u>452,238</u>     |

### 6 Investment income

|                     | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2020<br>£ | Total<br>2019<br>£ |
|---------------------|----------------------------|--------------------------|--------------------|--------------------|
| Short term deposits | 1,651                      | -                        | 1,651              | 576                |
|                     | <u>1,651</u>               | <u>-</u>                 | <u>1,651</u>       | <u>576</u>         |

### 7 Expenditure

|                                  | Staff costs<br>£ | Non-pay expenditure<br>Premises<br>£ | Other<br>£       | Total<br>2020<br>£ | Total<br>2019<br>£ |
|----------------------------------|------------------|--------------------------------------|------------------|--------------------|--------------------|
| Expenditure on raising funds     |                  |                                      |                  |                    |                    |
| - Direct costs                   | 220,980          | -                                    | 45,898           | 266,878            | 364,535            |
| Academy's educational operations |                  |                                      |                  |                    |                    |
| - Direct costs                   | 6,899,714        | -                                    | 381,841          | 7,281,555          | 6,631,384          |
| - Allocated support costs        | 1,410,622        | 1,051,020                            | 474,122          | 2,935,764          | 3,169,888          |
| Teaching schools                 |                  |                                      |                  |                    |                    |
| - Direct costs                   | 133,348          | -                                    | 171,802          | 305,150            | 351,980            |
|                                  | <u>8,664,664</u> | <u>1,051,020</u>                     | <u>1,073,663</u> | <u>10,789,347</u>  | <u>10,517,787</u>  |

#### Net income/(expenditure) for the year includes:

|   | 2020<br>£      | 2019<br>£      |
|---|----------------|----------------|
| Fees payable to auditor for:                      |                |                |
| - Audit   | 9,050          | 8,800          |
| - Other services                                  | 6,900          | 6,400          |
| Operating lease rentals                           | 26,927         | 35,395         |
| Depreciation of tangible fixed assets             | 468,584        | 420,268        |
| Net interest on defined benefit pension liability | 75,000         | 67,000         |
|   | <u>586,461</u> | <u>543,863</u> |

# THE ILLUMINARE MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 8 Charitable activities

|                                  | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£                | Total<br>2020<br>£          | Total<br>2019<br>£          |
|----------------------------------|----------------------------|---|-----------------------------|-----------------------------|
| <b>Direct costs</b>              |                            |   |                             |                             |
| Educational operations           | 3,812                      | 7,277,743                               | 7,281,555                   | 6,631,384                   |
| Teaching schools                 | -                          | 305,150                                 | 305,150                     | 351,980                     |
| <b>Support costs</b>             |                            |   |                             |                             |
| Educational operations           | 205,071                    | 2,730,693                               | 2,935,764                   | 3,169,888                   |
|                                  | 208,883                    | 10,313,586                              | 10,522,469                  | 10,153,252                  |
|                                  |                            | <b>Educational<br/>operations<br/>£</b> | <b>Total<br/>2020<br/>£</b> | <b>Total<br/>2019<br/>£</b> |
| <b>Analysis of support costs</b> |                            |   |                             |                             |
| Support staff costs              |                            | 1,414,027                               | 1,414,027                   | 1,525,946                   |
| Depreciation                     |                            | 468,584                                 | 468,584                     | 420,268                     |
| Technology costs                 |                            | 84,636                                  | 84,636                      | 88,860                      |
| Premises costs                   |                            | 582,436                                 | 582,436                     | 665,866                     |
| Other support costs              |                            | 368,888                                 | 368,888                     | 453,498                     |
| Governance costs                 |                            | 17,193                                  | 17,193                      | 15,450                      |
|                                  |                            | 2,935,764                               | 2,935,764                   | 3,169,888                   |

# THE ILLUMINARE MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 9 Staff

#### Staff costs

Staff costs during the year were:

|   | 2020<br>£ | 2019<br>£ |
|---|-----------|-----------|
| Wages and salaries                      | 6,354,750 | 6,188,975 |
| Social security costs                   | 601,518   | 579,528   |
| Pension costs                           | 1,644,025 | 1,365,227 |
| Staff costs - employees                 | 8,600,293 | 8,133,730 |
| Agency staff costs                      | 34,371    | 13,935    |
| Staff restructuring costs               | 30,000    | -         |
|   | 8,664,664 | 8,147,665 |
| Staff development and other staff costs | 26,381    | 21,314    |
| Total staff expenditure                 | 8,691,045 | 8,168,979 |
| Staff restructuring costs comprise:     |           |           |
| Severance payments                      | 30,000    | -         |

#### Staff numbers

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

|                            | 2020<br>Number | 2019<br>Number |
|----------------------------|----------------|----------------|
| Teachers                   | 114            | 114            |
| Administration and support | 73             | 75             |
| Management                 | 8              | 9              |
|                            | 195            | 198            |

#### Higher paid staff

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

|                     | 2020<br>Number | 2019<br>Number |
|---------------------|----------------|----------------|
| £60,001 - £70,000   | 1              | 3              |
| £70,001 - £80,000   | 3              | -              |
| £80,001 - £90,000   | -              | 1              |
| £90,001 - £100,000  | 1              | -              |
| £140,001 - £150,000 | 1              | 1              |

# THE ILLUMINARE MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 9 Staff

(Continued)

#### Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension and employer national insurance contributions) received by key management personnel for their services to the academy trust was £722,422 (2019: £801,584).

### 10 Trustees' remuneration and expenses

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

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

|                                  |   |
|----------------------------------|---|
| Sir K Gibson (CEO)               |   |
| Remuneration                     | £145,001 - £150,000 (2019: £140,001 - £145,000) |
| Employer's pension contributions | £0  |

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

### 11 Insurance for trustees and officers

The academy trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

### 12 Tangible fixed assets - group and academy trust

|                       | Land and<br>buildings | Computer<br>equipment | Fixtures,<br>fittings &<br>equipment | Motor<br>vehicles | Total      |
|-----------------------|-----------------------|-----------------------|--------------------------------------|-------------------|------------|
|                       | £                     | £                     | £                                    | £                 | £          |
| <b>Cost</b>           |                       |                       |                                      |                   |            |
| At 1 September 2019   | 24,740,834            | 121,670               | 56,218                               | 64,425            | 24,983,147 |
| Additions             | -                     | 78,680                | 19,032                               | -                 | 97,712     |
| At 31 August 2020     | 24,740,834            | 200,350               | 75,250                               | 64,425            | 25,080,859 |
| <b>Depreciation</b>   |                       |                       |                                      |                   |            |
| At 1 September 2019   | 803,516               | 20,663                | 5,360                                | 6,512             | 836,051    |
| Charge for the year   | 401,758               | 47,114                | 8,737                                | 10,975            | 468,584    |
| At 31 August 2020     | 1,205,274             | 67,777                | 14,097                               | 17,487            | 1,304,635  |
| <b>Net book value</b> |                       |                       |                                      |                   |            |
| At 31 August 2020     | 23,535,560            | 132,573               | 61,153                               | 46,938            | 23,776,224 |
| At 31 August 2019     | 23,937,318            | 101,007               | 50,858                               | 57,913            | 24,147,096 |

# THE ILLUMINARE MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 13 Fixed asset investments

|  |          |
|--|----------|
|  | £        |
| <b>Market value - shares in group undertakings</b> |          |
| At 1 September and at 31 August 2020               | 1        |
|  | <u>1</u> |

The investment assets are held:  
In the UK

1

1

### 14 Stocks

|             | 2020<br>£    | Group<br>2019<br>£ |
|-------------|--------------|--------------------|
| Other stock | 6,033        | 3,763              |
|             | <u>6,033</u> | <u>3,763</u>       |



# THE ILLUMINARE MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

| 15 Debtors  | 2020           | Group<br>2019  | Academy Trust  |                |
|---|----------------|----------------|----------------|----------------|
|   | £              | £              | 2020<br>£      | 2019<br>£      |
| Trade debtors                                     | 7,478          | 17,877         | 6,039          | 6,250          |
| Amounts owed by group undertakings                | -              | -              | 35,352         | 34,393         |
| VAT recoverable                                   | 23,580         | 52,638         | 27,794         | 56,279         |
| Other debtors                                     | 97,135         | -              | 55,690         | -              |
| Prepayments and accrued income                    | 327,855        | 172,353        | 317,225        | 167,426        |
|   | <u>456,048</u> | <u>242,868</u> | <u>442,100</u> | <u>264,348</u> |
|   |                |                |                |                |
| 16 Creditors: amounts falling due within one year | 2020           | Group<br>2019  | Academy Trust  |                |
|   | £              | £              | 2020<br>£      | 2019<br>£      |
| Trade creditors                                   | 253,004        | 252,139        | 245,343        | 241,992        |
| Other creditors                                   | 105,413        | 99,882         | 105,413        | 99,882         |
| Accruals and deferred income                      | 209,974        | 126,638        | 207,053        | 120,770        |
|   | <u>568,391</u> | <u>478,659</u> | <u>557,809</u> | <u>462,644</u> |
|   |                |                |                |                |
| 17 Deferred income                                |                |                | 2020<br>£      | 2019<br>£      |
| Deferred income is included within:               |                |                |                |                |
| Creditors due within one year                     |                |                | -              | 35,953         |
|   |                |                | <u>-</u>       | <u>35,953</u>  |
| Deferred income at 1 September 2019               |                |                | 35,953         | 109,426        |
| Released from previous years                      |                |                | (35,953)       | (109,426)      |
| Resources deferred in the year                    |                |                | -              | 35,953         |
|   |                |                | <u>-</u>       | <u>35,953</u>  |
| Deferred income at 31 August 2020                 |                |                | <u>-</u>       | <u>35,953</u>  |

# THE ILLUMINARE MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 18 Funds

|                                     | Balance at<br>1 September<br>2019<br>£ | Income<br>£       | Expenditure<br>£    | Gains,<br>losses and<br>transfers<br>£ | Balance at<br>31 August<br>2020<br>£ |
|-------------------------------------|--|-------------------|---------------------|--|--------------------------------------|
| <b>Restricted general funds</b>     |  |                   |                     |  |                                      |
| General Annual Grant (GAG)          | 683,775                                | 8,272,348         | (8,016,507)         | (64,878)                               | 874,738                              |
| Other DfE / ESFA grants             | 16,348                                 | 965,153           | (981,501)           | -                                      | -                                    |
| Other government grants             | -                                      | 209,268           | (209,268)           | -                                      | -                                    |
| Teaching schools                    | 83,289                                 | 243,391           | (305,150)           | -                                      | 21,530                               |
| Other restricted funds              | -                                      | 21,576            | (21,576)            | -                                      | -                                    |
| Pension reserve                     | (4,107,000)                            | -                 | (311,000)           | (1,144,000)                            | (5,562,000)                          |
|                                     | <u>(3,323,588)</u>                     | <u>9,711,736</u>  | <u>(9,845,002)</u>  | <u>(1,208,878)</u>                     | <u>(4,665,732)</u>                   |
| <b>Restricted fixed asset funds</b> |  |                   |                     |  |                                      |
| Inherited on conversion             | 23,941,129                             | -                 | (405,000)           | -                                      | 23,536,129                           |
| DfE group capital grants            | 186,036                                | 32,834            | (56,104)            | -                                      | 162,766                              |
| Capital expenditure from GAG        | 19,931                                 | -                 | (7,480)             | 64,878                                 | 77,329                               |
|                                     | <u>24,147,096</u>                      | <u>32,834</u>     | <u>(468,584)</u>    | <u>64,878</u>                          | <u>23,776,224</u>                    |
| <b>Total restricted funds</b>       | <u>20,823,508</u>                      | <u>9,744,570</u>  | <u>(10,313,586)</u> | <u>(1,144,000)</u>                     | <u>19,110,492</u>                    |
| <b>Unrestricted funds</b>           |  |                   |                     |  |                                      |
| General funds                       | (61,176)                               | 275,939           | (203,804)           | -                                      | 10,959                               |
| Subsidiary                          | 959                                    | 235,978           | (214,631)           | -                                      | 22,306                               |
| Teaching schools                    | -                                      | 138,750           | (57,326)            | -                                      | 81,424                               |
|                                     | <u>(60,217)</u>                        | <u>650,667</u>    | <u>(475,761)</u>    | <u>-</u>                               | <u>114,689</u>                       |
| <b>Total funds</b>                  | <u>20,763,291</u>                      | <u>10,395,237</u> | <u>(10,789,347)</u> | <u>(1,144,000)</u>                     | <u>19,225,181</u>                    |

# THE ILLUMINARE MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### 18 Funds

(Continued)

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

General Annual Grant must be used for the normal running costs of the academy. Under the funding agreement with the Secretary of State, the academy trust was subject to a limit on the amount of GAG that it could carry forward at 31 August 2020.

Other DfE/ESFA grants include pupil premium, and year 7 catch up grants received.

Other government grants include income for pupils with special educational needs received from the local authority.

DfE/ESFA Capital Grants consist of the devolved capital grant and capital improvement fund which has been partly spent on non capitalised items and asset additions in the year with the remainder carried forward for future use.

Other restricted funds include Teaching School funds.

The Inherited Fixed Asset Fund reflects the fixed assets acquired from the Local Authority on conversion. Depreciation on these assets is charged against this fund.

Unrestricted funds consist of other funds raised by the trust. They are in deficit at year end due to an inherited conversion deficit.

At 31 August 2020 the academy and subsidiary had restricted general and unrestricted funds of £1,010,957.

# THE ILLUMINARE MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 18 Funds

(Continued)

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

|                                     | Balance at<br>1 September<br>2018<br>£ | Income<br>£       | Expenditure<br>£    | Gains,<br>losses and<br>transfers<br>£ | Balance at<br>31 August<br>2019<br>£ |
|-------------------------------------|--|-------------------|---------------------|--|--------------------------------------|
| <b>Restricted general funds</b>     |  |                   |                     |  |                                      |
| General Annual Grant (GAG)          | 392,700                                | 8,132,589         | (7,821,444)         | (20,070)                               | 683,775                              |
| Other DfE / ESFA grants             | -                                      | 680,246           | (663,898)           | -                                      | 16,348                               |
| Other government grants             | -                                      | 116,496           | (116,496)           | -                                      | -                                    |
| Teaching schools                    | 43,060                                 | 392,209           | (351,980)           | -                                      | 83,289                               |
| Other restricted funds              | -                                      | 19,089            | (19,089)            | -                                      | -                                    |
| Pension reserve                     | (2,750,000)                            | -                 | (381,000)           | (976,000)                              | (4,107,000)                          |
|                                     | <u>(2,314,240)</u>                     | <u>9,340,629</u>  | <u>(9,353,907)</u>  | <u>(996,070)</u>                       | <u>(3,323,588)</u>                   |
| <b>Restricted fixed asset funds</b> |  |                   |                     |  |                                      |
| Transfer on conversion              | 24,346,129                             | -                 | (405,000)           | -                                      | 23,941,129                           |
| DfE group capital grants            | 83,437                                 | 117,728           | (15,129)            | -                                      | 186,036                              |
| Capital expenditure from GAG        | -                                      | -                 | (139)               | 20,070                                 | 19,931                               |
|                                     | <u>24,429,566</u>                      | <u>117,728</u>    | <u>(420,268)</u>    | <u>20,070</u>                          | <u>24,147,096</u>                    |
| <b>Total restricted funds</b>       | <u>22,115,326</u>                      | <u>9,458,357</u>  | <u>(9,774,175)</u>  | <u>(976,000)</u>                       | <u>20,823,508</u>                    |
| <b>Unrestricted funds</b>           |  |                   |                     |  |                                      |
| General funds                       | (101,339)                              | 540,823           | (500,660)           | -                                      | (61,176)                             |
| Subsidiary                          | (6,459)                                | 250,339           | (242,921)           | -                                      | 959                                  |
| Teaching schools                    | -                                      | 31                | (31)                | -                                      | -                                    |
|                                     | <u>(107,798)</u>                       | <u>791,193</u>    | <u>(743,612)</u>    | <u>-</u>                               | <u>(60,217)</u>                      |
| <b>Total funds</b>                  | <u>22,007,528</u>                      | <u>10,249,550</u> | <u>(10,517,787)</u> | <u>(976,000)</u>                       | <u>20,763,291</u>                    |

# THE ILLUMINARE MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 19 Analysis of net assets between funds

|  | Unrestricted<br>Funds<br>£ | Restricted funds:<br>General<br>£ | Fixed asset<br>£  | Total<br>Funds<br>£ |
|--|----------------------------|-----------------------------------|-------------------|---------------------|
| <b>Fund balances at 31 August 2020 are represented by:</b> |                            |                                   |                   |                     |
| Tangible fixed assets                                      | -                          | -                                 | 23,776,224        | 23,776,224          |
| Current assets   | 125,271                    | 1,454,077                         | -                 | 1,579,348           |
| Creditors falling due within one year                      | (10,582)                   | (557,809)                         | -                 | (568,391)           |
| Defined benefit pension liability                          | -                          | (5,562,000)                       | -                 | (5,562,000)         |
| <b>Total net assets</b>                                    | <b>114,689</b>             | <b>(4,665,732)</b>                | <b>23,776,224</b> | <b>19,225,181</b>   |
| <b>Fund balances at 31 August 2019 are represented by:</b> |                            |                                   |                   |                     |
| Tangible fixed assets                                      | -                          | -                                 | 24,147,096        | 24,147,096          |
| Current assets   | (44,202)                   | 1,246,056                         | -                 | 1,201,854           |
| Creditors falling due within one year                      | (16,015)                   | (462,644)                         | -                 | (478,659)           |
| Defined benefit pension liability                          | -                          | (4,107,000)                       | -                 | (4,107,000)         |
| <b>Total net assets</b>                                    | <b>(60,217)</b>            | <b>(3,323,588)</b>                | <b>24,147,096</b> | <b>20,763,291</b>   |

### 20 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2019.

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

#### Teachers' Pension Scheme

##### Introduction

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

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

# THE ILLUMINARE MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 20 Pension and similar obligations

(Continued)

#### Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £1,087,740 (2019 £737,351).

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

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 25.2% for employers and 5.5 - 12.5% for employees.

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

| Total contributions made | 2020<br>£ | 2019<br>£ |
|--------------------------|-----------|-----------|
| Employer's contributions | 355,000   | 341,000   |
| Employees' contributions | 86,000    | 87,000    |
| Total contributions      | 441,000   | 428,000   |

# THE ILLUMINARE MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 20 Pension and similar obligations

(Continued)

| Principal actuarial assumptions                    | 2020<br>% | 2019<br>% |
|--|-----------|-----------|
| Rate of increase in salaries                       | 3.7       | 3.5       |
| Rate of increase for pensions in payment/inflation | 2.2       | 2.0       |
| Discount rate for scheme liabilities               | 1.7       | 1.9       |
| Inflation assumption (CPI)                         | 2.2       | 2.0       |

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

|                      | 2020<br>Years | 2019<br>Years |
|----------------------|---------------|---------------|
| Retiring today       |               |               |
| - Males              | 21.8          | 21.9          |
| - Females            | 25.0          | 25.1          |
| Retiring in 20 years |               |               |
| - Males              | 23.5          | 23.6          |
| - Females            | 26.8          | 26.9          |

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

| The academy trust's share of the assets in the scheme | 2020<br>Fair value<br>£ | 2019<br>Fair value<br>£ |
|---|-------------------------|-------------------------|
| Equities  | 2,197,245               | 2,376,340               |
| Bonds   | 98,568                  | 148,748                 |
| Corporate bonds                                       | 940,503                 | 413,592                 |
| Cash  | 78,033                  | 76,188                  |
| Property  | 377,844                 | 312,008                 |
| Other assets  | 414,807                 | 301,124                 |
| Total market value of assets                          | 4,107,000               | 3,628,000               |

The actual return on scheme assets was £65,000 (2019: £357,000).

# THE ILLUMINARE MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 20 Pension and similar obligations

(Continued)

| Amount recognised in the Statement of Financial Activities    | 2020<br>£ | 2019<br>£ |
|---|-----------|-----------|
| Current service cost  | 591,000   | 469,000   |
| Past service cost   | -         | 207,000   |
| Interest income   | (73,000)  | (87,000)  |
| Interest cost   | 148,000   | 154,000   |
| Benefit changes, curtailments and settlements gains or losses | -         | (21,000)  |
| Total operating charge  | 666,000   | 722,000   |

| Changes in the present value of defined benefit obligations | 2020<br>£ | 2019<br>£ |
|---|-----------|-----------|
| At 1 September 2019   | 7,735,000 | 5,666,000 |
| Current service cost  | 591,000   | 448,000   |
| Interest cost   | 148,000   | 154,000   |
| Employee contributions                                      | 86,000    | 87,000    |
| Actuarial loss  | 1,136,000 | 1,246,000 |
| Benefits paid   | (27,000)  | (73,000)  |
| Past service cost   | -         | 207,000   |
| At 31 August 2020   | 9,669,000 | 7,735,000 |

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

|                        | 2020<br>£ | 2019<br>£ |
|------------------------|-----------|-----------|
| At 1 September 2019    | 3,628,000 | 2,916,000 |
| Interest income        | 73,000    | 87,000    |
| Actuarial loss/(gain)  | (8,000)   | 270,000   |
| Employer contributions | 355,000   | 341,000   |
| Employee contributions | 86,000    | 87,000    |
| Benefits paid          | (27,000)  | (73,000)  |
| At 31 August 2020      | 4,107,000 | 3,628,000 |



# THE ILLUMINARE MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 21 Reconciliation of net income to net cash flows from operating activities

|  | 2020<br>£      | 2019<br>£      |
|--|----------------|----------------|
| Net income for the reporting period (as per the Statement of Financial Activities) | (394,110)      | (268,237)      |
| Adjusted for:  |                |                |
| Capital grants from DfE/ESFA and other capital income                              | (32,834)       | (117,728)      |
| Investment income receivable   | (1,651)        | (576)          |
| Defined benefit pension costs less contributions payable                           | 236,000        | 314,000        |
| Defined benefit pension net finance cost   | 75,000         | 67,000         |
| Depreciation of tangible fixed assets  | 468,584        | 420,268        |
| (Increase)/decrease in stocks  | (2,270)        | 635            |
| (Increase) in debtors  | (213,180)      | (30,348)       |
| Increase in creditors  | 89,732         | 189,679        |
| <b>Net cash provided by operating activities</b>                                   | <b>225,271</b> | <b>574,693</b> |

### 22 Analysis of changes in net funds

|      | 1 September<br>2019<br>£ | Cash flows<br>£ | 31 August<br>2020<br>£ |
|------|--------------------------|-----------------|------------------------|
| Cash | 955,223                  | 162,044         | 1,117,267              |

### 23 Related party transactions

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

Sir K Gibson's wife is employed by the academy trust. Sir K Gibson is a trustee and Mrs L Gibson works for the trust and was appointed in 2000. Mrs L Gibson is paid in line with the standard national payscale and reports to the Head of School, Mr D Amos.

During the year the trust purchased staff insurance provision from The Education Mutual Limited, a company in which Sir K Gibson is also a director. The trust paid premiums of £44,225 during the year and received income of £41,690. At the year end no amounts were outstanding.

- The academy trust made the purchase at arms' length following a competitive tendering exercise in accordance with its financial regulations, which Sir K Gibson neither participated in, nor influenced
- The Education Mutual Limited is a not for profit mutual company and all services are provided at cost. The company has provided a statement of assurance confirming this.
- In entering into all of these transactions, the academy trust has complied with the requirements of the Academies Financial Handbook 2019.

# THE ILLUMINARE MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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### 24 Principal Subsidiaries

#### **Illuminare Business Services Limited**

|  |                                      |
|--|--------------------------------------|
| Subsidiary name                                | Illuminare Business Services Limited |
| Company registration number                    | 10917062                             |
| Basis of control                               | Wholly owned subsidiary              |
| Equity shareholding %                          | 100%                                 |
| Total assets as at 31 August 2020              | £72,456                              |
| Total current liabilities as at 31 August 2020 | (£50,149)                            |
| Pension scheme liability                       | (£157,000)                           |
| Total equity as at 31 August 2020              | (£134,693)                           |
| Turnover for the year at 31 August 2020        | £188,383                             |
| Expenditure for the year at 31 August 2020     | (£197,077)                           |
| Result for the year ended 31 August 2020       | (£8,694)                             |

### 25 Members' liability

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

### 26 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2020 the trust brought forward owed bursary of £35,758 (2019: £20,271), received £28,429 (2019: £28,536) and disbursed £18,400 (2019: £13,049) from the fund. An amount of £45,787 (2019: £35,758) is included in other creditors relating to undistributed funds carried forward to the next academic year.

# THE ILLUMINARE MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 27 Teaching schools trading account

|  | 2020    |           | 2019    |           |
|--|---------|-----------|---------|-----------|
|  | £       | £         | £       | £         |
| <b>Direct income</b>                               |         |           |         |           |
| External funding                                   |         | 243,391   |         | 392,209   |
| <b>Other income</b>                                |         |           |         |           |
| Fundraising and other trading activities           |         | 138,750   |         | 31        |
| <b>Total income</b>                                |         | 382,141   |         | 392,240   |
| <b>Direct costs</b>                                |         |           |         |           |
| Direct staff costs                                 | 133,348 |           | 113,374 |           |
| Educational supplies and services                  | 171,802 |           | 238,606 |           |
|  | 305,150 |           | 351,980 |           |
| <b>Other costs</b>                                 |         |           |         |           |
| Costs relating to fundraising trading              | 57,326  |           | 31      |           |
| <b>Total expenditure</b>                           |         | (362,476) |         | (352,011) |
| <b>Surplus from all sources</b>                    |         | 19,665    |         | 40,229    |
| Teaching schools balances at 1 September 2019      |         | 83,289    |         | 43,060    |
| <b>Teaching schools balances at 31 August 2020</b> |         | 102,954   |         | 83,289    |