

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 2019**

THE ILLUMINARE MULTI ACADEMY TRUST

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 12
Governance statement	13 - 15
Statement on regularity, propriety and compliance	16
Statement of trustees' responsibilities	17
Independent auditor's report on the accounts	18 - 20
Independent reporting accountant's report on regularity	21 - 22
Statement of financial activities including income and expenditure account	23 - 24
Balance sheet	25 - 26
Statement of cash flows	27
Notes to the accounts including accounting policies	28 - 48

THE ILLUMINARE MULTI ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

- Chair

Mr S Cram
Mr S Duffy
Mr P Mackings

- Vice Chair

Mr D Moore

Trustees

Mr S Duffy (Chair)
Miss A Chipchase
Sir K A Gibson (CEO & Accounting Officer)
Mr P Mackings
Mr A K Smallcombe (Resigned 17 December 2018)
Mr K I Tunncliffe (Vice Chair)
J Pike (Appointed 21 January 2019)

Senior management team

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

Sir K Gibson
Mr D Amos
Mr C Chesborough
Mr G Peel
Mr R Burroughs
Mr G Varely
Mrs H Tsentas
Mrs J Quinn

Company secretary

Miss P Lynn

Company registration number

10859049 (England and Wales)

Registered office

Harton Academy
Lisle Road
South Shields
Tyne & Wear
NE34 6DL

Independent auditor

Baldwins Audit Services
Wynyard Park House
Wynyard Avenue
Wynyard
TS22 5TB

Bankers

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

THE ILLUMINARE MULTI ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

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 2019

The trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2018 to 31 August 2019. 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 1635 and had a roll of 1619 in the school census on 25 October 2019.

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 2019

Organisational structure

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 2019

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	£3,159
Total pay bill	£7,510,376.30
Percentage of the total pay bill spent on facility time	0.042%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	Nil
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THE ILLUMINARE MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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:

1) **Quality of Education – Intent, Implementation and Impact**

- **Impact/Outcomes** – Success Criteria – High aspirational targets are met (within 5%).
- The percentage of pupils achieving the English Baccalaureate (EBacc); 30%
- The percentage of pupils entering the EBacc (subject to consultation); 35%
- Progress across eight qualifications (Progress 8): +ve.
- Attainment across the same eight qualifications (Attainment 8); 5.0
- The percentage of pupils achieving a strong pass in English and mathematics.; 50%
- The percentage of pupils achieving a standard pass in English and mathematics.; 70%
- To close the attainment gap for disadvantaged students by a further 10%
- Achieve a positive overall VA within the 6th form

THE ILLUMINARE MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

2) **Behaviour and Attitudes**

Success Criteria – High expectations of behaviour; no low-level disruption; any instances of bullying dealt with swiftly and effectively.

3) **Personal Development**

Success Criteria – SMSC Development; Fundamental British Values; Careers Guidance; Healthy Living; Citizenship; Equality and Diversity; Progression/Preparation for next stage

4) **Leadership and Management**

Success Criteria – Vision, ethos and ethics; Staff development; Staff workload and well-being; Integrity: No off rolling/gaming; Governance/oversight; Safeguarding

5) **Improve 6th Form Provision** – Positive Value Added/45% going to Russell Group Universities

These targets will be achieved by implementing a range of strategies which are fully documented in the School Improvement Plan (2019-2020).

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.

Strategic report

Achievements and performance

There continues to be a cohesive approach by all departments to raising student progress levels and attainment, not only at a departmental level but from a whole-school perspective. A wealth of intervention strategies have been implemented to try to ensure that pupils achieve their target grades and make suitable levels of progress. These include: Accelerated Reader sessions during registration, evening, Saturday and holiday revision, 1-2-1 tuition, revision guides, breakfast clubs and small group tuition are a number of examples of the work going on in school.

In addition, a number of strategies to raise motivation and aspirations have also been introduced through family learning sessions, aspirational target grades being set and careers guidance being remodelled along the lines of the Gatsby Benchmarks.

THE ILLUMINARE MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Key performance indicators

A-Level

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

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

Average grade per entry= B-

Value added = +0.07

School KS4 Examination Results (By Subject) 2019

Number of students in school aged 15+: 265

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

Calculated using the grades counting towards the Student Performance.

(Grades have been grouped with the 9-1 grades where appropriate).

GCSE Subject Results By Subject

9-1 GCSE (Att8 Points)

Name	9	8	7	6	5	4	3	2	1
Art: Fine Art	3	4	0	8	6	8	14	6	0
Art: Photography	4	7	6	6	3	9	11	1	0
Business Studies	0	3	7	5	12	6	3	3	0
Computer Science	2	4	12	6	12	11	16	7	16
Design Technology	0	1	0	5	9	9	4	5	0
English Language	2	12	21	37	61	42	56	21	7
English Literature	4	7	20	44	54	44	52	22	13
Geography	3	7	13	15	19	11	17	17	9
History	7	9	10	20	17	13	13	20	10
Maths	14	18	11	16	63	60	33	33	13
Media	1	3	1	4	7	7	11	4	3
MFL: French	1	2	4	2	20	12	7	0	0
MFL: Russian	1	0	0	0	0	0	0	0	0
MFL: Spanish	2	4	6	5	10	9	13	2	0
Music	1	2	3	6	6	1	0	0	0
PE	0	3	3	5	2	4	0	0	0
RE	10	21	21	38	31	31	36	35	22
Science: Biology	9	17	8	7	1	0	0	0	0
Science: Chemistry	9	12	11	8	2	0	0	0	0
Science: Physics	11	10	7	11	2	1	0	0	0
Summary	84	146	164	248	337	278	286	176	93

9-1 GCSE Double Award (Att8 Points)

Name	9	8	7	6	5	4	3	2	1
Science	3	13	19	48	87	101	91	63	11
Summary	3	13	19	48	87	101	91	63	11

A*-G GCSE (Att8 Points)

Name	A*	A	B	C	D	E	F	G
Financial Education	0	0	0	1	0	0	0	0
Summary	0	0	0	1	0	0	0	0

THE ILLUMINARE MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

BTEC Single Award (Att8 Points)

Name	D*	D	M	P	L1P	U	X	Other
Business BTEC	2	6	14	16	2	0	0	0
Travel & Tourism BTEC	0	2	6	3	4	0	0	0
Summary	2	8	20	19	6	0	0	0

BTEC Technical Award (Att8 Points)

Name	L2D*	L2D	L2M	L2P	L1D	L1M	L1P	U	X
Health Studies BTEC	2	2	11	10	7	1	0	0	0
Summary	2	2	11	10	7	1	0	0	0

CNAT (Att8 Points)

Name	L2D*	L2D	L2M	L2P	L1D	L1M	L1P	U	X
C&M Diploma CNAT	0	3	6	7	5	4	3	2	0
DT Systems CNAT	0	1	1	10	6	1	0	0	0
Engineering CNAT	0	1	7	19	11	7	0	0	0
iMedia CNAT	0	8	20	14	11	9	3	5	0
PE CNAT	1	1	15	10	3	0	0	0	0
Summary	1	14	49	60	36	21	6	7	0

Further Maths (Att8 Points)

Name	A^	A*	A	B	C	D	E	F	G
Maths (Further)	3	11	6	11	6	0	0	0	0
Summary	3	11	6	11	6	0	0	0	0

VCERT (Att8 Points)

Name	D*	D	M	P	L1D*	L1D	L1M	L1P	U
DT Food VCERT	0	0	0	11	0	0	2	0	0
DT Products VCERT	0	0	4	9	0	0	3	0	0
Summary	0	0	4	20	0	0	5	0	0

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason 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 2019

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 £683,775 of GAG funding was carried forward representing 8.4% of GAG income in the period.

Other key financial performance indicators is staffing costs as a percentage of GAG and staffing costs as a percentage of total income. For the 2018/19 financial year these were 93% and 76% 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 2019 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.

During the period ended 31 August 2019, total expenditure of £9,473,598 was covered by recurrent grant funding from the DfE, together with other incoming resources of £9,999,211. The excess of income over expenditure for the period (excluding restricted fixed asset funds and LGPS movements) was a surplus of £407,885.

At 31 August 2019 the net book value of fixed assets was £24,147,096 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 2019 the reserves figure was £722,236.

THE ILLUMINARE MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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

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 2019

Plans for future periods

The School Development Plan 2019-20 includes the detail relating to our whole-school, 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 been initial 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.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 18 December 2019 and signed on its behalf by:

Mr S Duffy
Chair



THE ILLUMINARE MULTI ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2019

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 mis-statement or loss.

The board of trustees has delegated the day-to-day responsibility to the CEO as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between 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 **7** 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)	7	7
Miss A Chipchase	5	7
Sir K A Gibson (CEO & Accounting Officer)	7	7
Mr P Mackings	5	7
Mr A K Smallcombe (Resigned 17 December 2018)	0	3
Mr K I Tunnicliffe (Vice Chair)	5	7
J Pike (Appointed 21 January 2019)	3	4

In December 2018 the Academy Trust carried out a skills audit based on the NGA's Competency Framework for Governance provided by AVEC. The results of this were evaluated by AVEC and fed back to the Board at their meeting on 1 April 2019.

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 cost savings and improving the offer for the students.
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 2019

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 have been forced to examine their purchasing and only buy essentials rather than luxury items.

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 2018 to 31 August 2019 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 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The risk and control framework

The 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 2019

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 Baldwins, 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, Baldwins 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 2018/19 period no medium or high level risks were identified.

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 18 December 2019 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 2019

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

I confirm that I and the academy trust'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 2018.

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



Sir K A Gibson
Accounting Officer

18 December 2019

THE ILLUMINARE MULTI ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2019

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 2018 to 2019 published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare 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 2015 and the Academies Accounts Direction 2018 to 2019;
- 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 18 December 2019 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 2019

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 2019 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 2015 and the Academies Accounts Direction 2018 to 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the 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 2019

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 have 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 2019

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.

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

18 December 2019

Statutory Auditor

Wynyard Park House
Wynyard Avenue
Wynyard
TS22 5TB

THE ILLUMINARE MULTI ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2019

In accordance with the terms of our engagement letter dated 25 September 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Illuminare Multi Academy Trust during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament 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 2018 to 2019 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 & SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant
Baldwins Audit Services

Dated: 18 December 2019

THE ILLUMINARE MULTI ACADEMY TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted Funds £	Restricted funds: General £ Fixed asset £	Total 2019 £	Total 2018 £
Income and endowments from:					
Donations and capital grants	3	2,375	19,089	117,728	139,192
Donations - transfer from local authority on conversion		-	-	-	-
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
Total		791,193	9,340,629	117,728	10,249,550
Expenditure on:					
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
Total	7	743,612	9,353,907	420,268	10,517,787
Net income/(expenditure)		47,581	(13,278)	(302,540)	(268,237)
Transfers between funds	18	-	(20,070)	20,070	-
Other recognised gains/(losses)					
Actuarial (losses)/gains on defined benefit pension schemes	20	-	(976,000)	-	(976,000)
Net movement in funds		47,581	(1,009,348)	(282,470)	(1,244,237)
Reconciliation of funds					
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

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

FOR THE YEAR ENDED 31 AUGUST 2019

Comparative information ended 31 August 2018	Notes	Unrestricted Funds £	Restricted funds: General	Fixed asset	Total 2018 £
		£	£	£	£
Income and endowments from:					
Donations and capital grants	3	17,488	4,800	94,220	116,508
Donations - transfer from local authority on conversion		(110,186)	(2,823,623)	24,751,129	21,817,320
Charitable activities:					
- Funding for educational operations	4	193,058	8,891,245	-	9,084,303
- Funding for teaching schools	27	27,468	208,360	-	235,828
Other trading activities	5	397,631	-	-	397,631
Investments	6	314	-	-	314
Total		525,773	6,280,782	24,845,349	31,651,904
Expenditure on:					
Raising funds	7	410,827	25,000	-	435,827
Charitable activities:					
- Educational operations	8	222,744	8,685,345	415,783	9,323,872
- Teaching schools		-	301,677	-	301,677
Total	7	633,571	9,012,022	415,783	10,061,376
Net income/(expenditure)		(107,798)	(2,731,240)	24,429,566	21,590,528
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	20	-	417,000	-	417,000
Net movement in funds		(107,798)	(2,314,240)	24,429,566	22,007,528
Reconciliation of funds					
Total funds brought forward		-	-	-	-
Total funds carried forward		(107,798)	(2,314,240)	24,429,566	22,007,528

THE ILLUMINARE MULTI ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2019

CONSOLIDATED BALANCE SHEET		2019		2018	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	12	24,147,096		24,380,760	
Current assets					
Stocks	14	3,763		4,398	
Debtors	15	242,868		212,520	
Cash at bank and in hand		955,223		448,830	
		1,201,854		665,748	
Current liabilities					
Creditors: amounts falling due within one year	16	(478,659)		(288,980)	
Net current assets		723,195		376,768	
Net assets excluding pension liability		24,870,291		24,757,528	
Defined benefit pension scheme liability	20	(4,107,000)		(2,750,000)	
Total net assets		20,763,291		22,007,528	
Funds of the academy trust:					
Restricted funds	18				
- Fixed asset funds		24,147,096		24,429,566	
- Restricted income funds		783,412		435,760	
- Pension reserve		(4,107,000)		(2,750,000)	
Total restricted funds		20,823,508		22,115,326	
Unrestricted income funds	18	(60,217)		(107,798)	
Total funds		20,763,291		22,007,528	

The accounts on pages 23 to 48 were approved by the trustees and authorised for issue on 18 December 2019 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 2019

ACADEMY TRUST BALANCE SHEET		2019		2018	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	12	24,147,096		24,380,760	
Investments	13		1		1
		24,147,097		24,380,761	
Current assets					
Stocks	14	3,763		4,398	
Debtors	15	264,348		243,222	
Cash at bank and in hand		916,768		409,988	
		1,184,879		657,608	
Current liabilities					
Creditors: amounts falling due within one year	16	(462,644)		(274,382)	
Net current assets		722,235		383,226	
Net assets excluding pension liability		24,869,332		24,763,987	
Defined benefit pension scheme liability	20	(3,791,000)		(2,582,000)	
Total net assets		21,078,332		22,181,987	
Funds of the academy trust:					
Restricted funds	18				
- Fixed asset funds		24,147,096		24,429,566	
- Restricted income funds		783,412		435,760	
- Pension reserve		(3,791,000)		(2,582,000)	
Total restricted funds		21,139,508		22,283,326	
Unrestricted income funds	18	(61,176)		(101,339)	
Total funds		21,078,332		22,181,987	

The accounts on pages 23 to 48 were approved by the trustees and authorised for issue on 18 December 2019 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 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Net cash provided by operating activities	21		574,693		373,519
Cash funds transferred on conversion			-		26,191
			<u>574,693</u>		<u>399,710</u>
Cash flows from investing activities					
Dividends, interest and rents from investments		576		314	
Capital grants from DfE Group		117,728		94,220	
Purchase of tangible fixed assets		<u>(186,604)</u>		<u>(45,414)</u>	
Net cash (used in)/provided by investing activities			<u>(68,300)</u>		<u>49,120</u>
Net increase in cash and cash equivalents in the reporting period			506,393		448,830
Cash and cash equivalents at beginning of the year			<u>448,830</u>		<u>-</u>
Cash and cash equivalents at end of the year			<u><u>955,223</u></u>		<u><u>448,830</u></u>

THE ILLUMINARE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

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

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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

1.2 Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts 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 2019

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 2019

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 2019

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 so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. 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 operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.12 Fund accounting

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

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

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

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 2019

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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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. While the judgement was not in relation to the LGPS it is reasonable to expect that it will need to be applied to this scheme by the government. Actuaries have estimated that the additional liabilities associated with this to be around 3-4% of active liabilities. As this has been considered to be potentially material to the financial statements the year end valuation performed by the actuary has included an approximate calculation of the McCloud valuation. This has increased the LGPS liability by £199,000 as at 31 August 2019.

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. This case was in relation to Lloyds Bank and HM Treasury have since gone on record to state public sector schemes have a method to equalise GMP already. Although there is some judgement in how this equalisation works and is reflected in the LGPS valuations, actuaries have estimated that the impact of GMP indexation to be around 0.3% of total liabilities and they have included an approximate calculation of the GMP valuation. This has increased the LGPS liability by £7,000 as at 31 August 2019.

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 funds £	Restricted funds £	Total 2019 £	Total 2018 £
Private sponsorship	-	19,089	19,089	4,800
Capital grants	-	117,728	117,728	94,220
Other donations	2,375	-	2,375	17,488
	<u>2,375</u>	<u>136,817</u>	<u>139,192</u>	<u>116,508</u>

THE ILLUMINARE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
DfE / ESFA grants				
General annual grant (GAG)	-	8,132,589	8,132,589	8,230,944
Other DfE group grants	-	680,246	680,246	527,346
	-	8,812,835	8,812,835	8,758,290
Other government grants				
Local authority grants	-	116,496	116,496	132,955
Other funding				
Teaching school	31	392,209	392,240	235,828
Catering income	287,658	-	287,658	155,993
Other incoming resources	48,315	-	48,315	37,065
	336,004	392,209	728,213	428,886
Total funding	336,004	9,321,540	9,657,544	9,320,131

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Catering income	18,028	-	18,028	12,094
Parental contributions	147,652	-	147,652	77,266
Trading subsidiary operations	250,317	-	250,317	246,616
Other income	36,241	-	36,241	89,123
	452,238	-	452,238	425,099

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Short term deposits	576	-	576	314

THE ILLUMINARE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

7 Expenditure

	Staff costs £	Non Pay Expenditure Premises £	Other £	Total 2019 £	Total 2018 £
Expenditure on raising funds					
- Direct costs	189,791	-	174,744	364,535	435,827
Academy's educational operations					
- Direct costs	6,319,391	-	311,993	6,631,384	6,415,527
- Allocated support costs	1,525,109	1,086,134	558,645	3,169,888	2,908,345
Teaching schools					
- Direct costs	113,374	-	238,606	351,980	301,677
	<u>8,147,665</u>	<u>1,086,134</u>	<u>1,283,988</u>	<u>10,517,787</u>	<u>10,061,376</u>

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Fees payable to auditor for:		
- Audit	8,800	8,800
- Other services	6,400	5,850
Operating lease rentals	35,395	35,149
Depreciation of tangible fixed assets	420,268	415,783
Net interest on defined benefit pension liability	67,000	70,000

8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Direct costs				
Educational operations	6,139	6,625,245	6,631,384	6,415,527
Teaching schools	-	351,980	351,980	301,677
Support costs				
Educational operations	372,938	2,796,950	3,169,888	2,908,345
	<u>379,077</u>	<u>9,774,175</u>	<u>10,153,252</u>	<u>9,625,549</u>

THE ILLUMINARE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

8 Charitable activities

(Continued)

	Educational operations £	Total 2019 £	Total 2018 £
Analysis of support costs			
Support staff costs	1,525,946	1,525,946	1,213,133
Depreciation	420,268	420,268	415,783
Technology costs	88,860	88,860	96,710
Premises costs	665,866	665,866	606,262
Other support costs	375,124	375,124	420,065
Governance costs	93,824	93,824	156,392
	<u>3,169,888</u>	<u>3,169,888</u>	<u>2,908,345</u>

9 Staff

Staff costs

Staff costs during the year were:

	2019 £	2018 £
Wages and salaries	6,188,975	6,034,095
Social security costs	579,528	577,001
Pension costs	1,365,227	1,171,256
Amounts paid to employees	8,133,730	7,782,352
Agency staff costs	13,935	33,700
Amounts paid to staff	8,147,665	7,816,052
Staff development and other staff costs	21,314	16,210
Total staff expenditure	<u>8,168,979</u>	<u>7,832,262</u>

Staff numbers

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

	2019 Number	2018 Number
Teachers	114	116
Administration and support	75	71
Management	9	9
	<u>198</u>	<u>196</u>

THE ILLUMINARE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

9 Staff

(Continued)

Higher paid staff

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

	2019 Number	2018 Number
£60,001 - £70,000	3	3
£80,001 - £90,000	1	1
£140,001 - £150,000	1	-
£160,001 - £750,000	-	1
	<u> </u>	<u> </u>

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 £801,584 (2018: £815,104).

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 £140,001 - £145,000 (2018: £160,001 - £165,000)

Employer's pension contributions £0

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

11 Trustees and officers insurance

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.

THE ILLUMINARE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

12 Tangible fixed assets - group and academy trust

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 September 2018	24,740,834	25,874	19,540	10,295	24,796,543
Additions	-	95,796	36,678	54,130	186,604
At 31 August 2019	24,740,834	121,670	56,218	64,425	24,983,147
Depreciation					
At 1 September 2018	401,758	8,625	2,158	3,242	415,783
Charge for the year	401,758	12,038	3,202	3,270	420,268
At 31 August 2019	803,516	20,663	5,360	6,512	836,051
Net book value					
At 31 August 2019	23,937,318	101,007	50,858	57,913	24,147,096
At 31 August 2018	24,339,076	17,249	17,382	7,053	24,380,760

13 Fixed asset investments

	£
Market value - shares in group undertakings	
At 1 September and at 31 August 2019	1
The investment assets are held: In the UK	1

14 Stocks

	2019 £	Group 2018 £
Other stock	3,763	4,398

THE ILLUMINARE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

15	Debtors	2019	Group	Academy Trust	
		2018	2018	2019	2018
		£	£	£	£
	Trade debtors	17,877	8,682	6,250	
	Amounts owed by group undertakings	-	-	34,393	34,393
	VAT recoverable	52,638	33,982	56,279	40,399
	Prepayments and accrued income	172,353	169,856	167,426	168,430
		<u>242,868</u>	<u>212,520</u>	<u>264,348</u>	<u>243,222</u>
16	Creditors: amounts falling due within one year	2019	Group	Academy Trust	
		2018	2018	2019	2018
		£	£	£	£
	Trade creditors	252,139	147,807	241,992	139,287
	Other creditors	99,882	21,529	99,882	21,529
	Accruals and deferred income	126,638	119,644	120,770	113,566
		<u>478,659</u>	<u>288,980</u>	<u>462,644</u>	<u>274,382</u>
17	Deferred income			2019	2018
				£	£
	Deferred income is included within:				
	Creditors due within one year			35,953	109,426
				<u>35,953</u>	<u>109,426</u>
	Deferred income at 1 September 2018			109,426	-
	Released from previous years			(109,426)	-
	Resources deferred in the year			35,953	109,426
				<u>35,953</u>	<u>109,426</u>
	Deferred income at 31 August 2019			35,953	109,426

Deferred income consists of cashless system balances, rates relief income received in advance and funds in respect of trips taking place after the year end and lettings income received in advance.

THE ILLUMINARE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
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>
Restricted fixed asset funds					
Inherited 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>
Total restricted funds	<u>22,115,326</u>	<u>9,458,357</u>	<u>(9,774,175)</u>	<u>(976,000)</u>	<u>20,823,508</u>
Unrestricted funds					
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>
Total funds	<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 2019

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 2019.

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 2019 the academy and subsidiary had restricted general and unrestricted funds of £723,195.

THE ILLUMINARE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Funds

(Continued)

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

	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds				
General Annual Grant (GAG)	8,230,944	(7,838,244)	-	392,700
Other DfE / ESFA grants	527,346	(527,346)	-	-
Other government grants	132,955	(132,955)	-	-
Teaching schools	344,737	(301,677)	-	43,060
Other restricted funds	4,800	(4,800)	-	-
Pension reserve	(2,960,000)	(207,000)	417,000	(2,750,000)
	<u>6,280,782</u>	<u>(9,012,022)</u>	<u>417,000</u>	<u>(2,314,240)</u>
Restricted fixed asset funds				
Transfer on conversion	24,751,129	(405,000)	-	24,346,129
DfE group capital grants	94,220	(10,783)	-	83,437
	<u>24,845,349</u>	<u>(415,783)</u>	<u>-</u>	<u>24,429,566</u>
Total restricted funds	<u>31,126,131</u>	<u>(9,427,805)</u>	<u>417,000</u>	<u>22,115,326</u>
Unrestricted funds				
General funds	217,675	(319,014)	-	(101,339)
Subsidiary	280,630	(287,089)	-	(6,459)
Teaching schools	27,468	(27,468)	-	-
	<u>525,773</u>	<u>(633,571)</u>	<u>-</u>	<u>(107,798)</u>
Total funds	<u>31,651,904</u>	<u>(10,061,376)</u>	<u>417,000</u>	<u>22,007,528</u>

THE ILLUMINARE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

19 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2019 are represented by:				
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)
Total net assets	(60,217)	(3,323,588)	24,147,096	20,763,291
	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	24,380,760	24,380,760
Current assets	(20,148)	637,090	48,806	665,748
Creditors falling due within one year	(87,650)	(201,330)	-	(288,980)
Defined benefit pension liability	-	(2,750,000)	-	(2,750,000)
Total net assets	(107,798)	(2,314,240)	24,429,566	22,007,528

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 2012, and that of the LGPS related to the period ended 31 March 2016.

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

THE ILLUMINARE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

20 Pension and similar obligations

(Continued)

The Teachers' Pension Budgeting and Valuation Account

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

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

Valuation of the Teachers' Pension Scheme

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

A copy of the latest valuation report can be found by following this link to the Teachers' Pension Scheme website.

Scheme Changes

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

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

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

The employer's pension costs paid to the TPS in the period amounted to £737,351 (2018: £725,741).

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.

THE ILLUMINARE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

20 Pension and similar obligations

(Continued)

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	2019 £	2018 £
Employer's contributions	341,000	338,000
Employees' contributions	87,000	86,000
Total contributions	428,000	424,000

Principal actuarial assumptions	2019 %	2018 %
Rate of increase in salaries	3.5	3.5
Rate of increase for pensions in payment/inflation	2.0	2.0
Discount rate for scheme liabilities	1.9	2.8
Inflation assumption (CPI)	2.0	2.0

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

	2019 Years	2018 Years
Retiring today		
- Males	21.9	22.9
- Females	25.1	26.4
Retiring in 20 years		
- Males	23.6	25.1
- Females	26.9	28.7

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

The academy trust's share of the assets in the scheme	2019 Fair value £	2018 Fair value £
Equities	2,376,340	1,968,300
Bonds	148,748	116,640
Corporate bonds	413,592	326,592
Cash	76,188	64,152
Property	312,008	247,860
Other assets	301,124	192,456
Total market value of assets	3,628,000	2,916,000

THE ILLUMINARE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

20 Pension and similar obligations

(Continued)

The actual return on scheme assets was £357,000 (2018: £157,000).

Amount recognised in the Statement of Financial Activities	2019 £	2018 £
Current service cost	469,000	475,000
Past service cost	207,000	-
Interest income	(87,000)	(59,000)
Interest cost	154,000	129,000
Benefit changes, curtailments and settlements gains or losses	(21,000)	-
Total operating charge	722,000	545,000

Changes in the present value of defined benefit obligations	2019 £	2018 £
At 1 September 2018	5,666,000	-
Obligations acquired on conversion	-	5,341,000
Current service cost	448,000	475,000
Interest cost	154,000	129,000
Employee contributions	87,000	86,000
Actuarial loss/(gain)	1,246,000	(319,000)
Benefits paid	(73,000)	(46,000)
Past service cost	207,000	-
At 31 August 2019	7,735,000	5,666,000

Changes in the fair value of the academy trust's share of scheme assets	2019 £	2018 £
At 1 September 2018	2,916,000	-
Assets acquired on conversion	-	2,381,000
Interest income	87,000	59,000
Actuarial gain	270,000	98,000
Employer contributions	341,000	338,000
Employee contributions	87,000	86,000
Benefits paid	(73,000)	(46,000)
At 31 August 2019	3,628,000	2,916,000

THE ILLUMINARE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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

	2019 £	2018 £
Net income for the reporting period (as per the Statement of Financial Activities)	(268,237)	21,590,528
Adjusted for:		
Net deficit/(surplus) transferred on conversion to academy	-	(21,817,320)
Capital grants from DfE/ESFA and other capital income	(117,728)	(94,220)
Investment income receivable	(576)	(314)
Defined benefit pension costs less contributions payable	314,000	137,000
Defined benefit pension net finance cost	67,000	70,000
Depreciation of tangible fixed assets	420,268	415,783
Decrease/(increase) in stocks	635	(4,398)
(Increase) in debtors	(30,348)	(212,520)
Increase in creditors	189,679	288,980
Net cash provided by operating activities	574,693	373,519

22 Commitments under operating leases

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

	2019 £	2018 £
Amounts due within one year	8,282	34,560

THE ILLUMINARE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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 received £7,500 for the sale of a mini bus to Age UK Gateshead, a charity in which Mr S Duffy is also a trustee. No amounts were outstanding at the year end. This transaction was at market rates.

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 £41,776 during the year and received income of £47,447. At the year end £8,328 was due to the trust.

- 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 2018.

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 2019	£55,010
Total current liabilities as at 31 August 2019	(£54,050)
Pension scheme liability	(£318,000)
Total equity as at 31 August 2019	(£315,040)
Turnover for the year at 31 August 2019	£250,317
Expenditure for the year at 31 August 2019	(£284,899)
Result for the year ended 31 August 2019	(£34,582)

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.

THE ILLUMINARE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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 2019 the trust brought forward owed bursary of £20,271, received £28,536 and disbursed £13,049 from the fund. An amount of £35,758 is included in accruals relating to undistributed funds carried forward to the next academic year.

27 Teaching schools trading account	2019		2018	
	£	£	£	£
Direct income				
External funding		392,209		208,360
Other income				
Fundraising and other trading activities		31		27,468
Total income		392,240		235,828
Direct costs				
Direct staff costs	113,374		226,835	
Educational supplies and services	238,606		74,842	
	<u>351,980</u>		<u>301,677</u>	
Other costs				
Costs relating to fundraising trading	31		27,468	
Total expenditure		(352,011)		(329,145)
Surplus/(deficit) from all sources		40,229		(93,317)
Teaching schools balances at 1 September 2018		43,060		-
Teaching schools balances at 31 August 2019		<u>83,289</u>		<u>(93,317)</u>