



**educationIMPACT**  
Academy Trust

Chief Executive Officer: **MR STEVE HUGHES**

**Education Impact Academy Trust**  
**(A Company Limited by Guarantee)**

**Annual Report and Financial Statements**

**Year ended 31<sup>st</sup> August 2019**

**Company Registration Number**  
**07972037**  
**(England and Wales)**

**Feltons' Chartered Accountants**  
**Birmingham**  
**B1 3JR**



**Education Impact Academy Trust**

**Financial Statements**

**Year Ended 31<sup>st</sup> August 2019**

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# Education Impact Academy Trust

## Reference and Administration Details

Year Ended 31<sup>st</sup> August 2019

### SAT

#### Members

|                 |                        |   |
|-----------------|------------------------|---|
| Mr. M Jameson * | MAT Member 25/01/2019  | Chair of Trustees                         |
| Mr. S Hughes *  | MAT Trustee 13/03/2019 | Executive Head and Accounting Officer     |
| Ms. D Turner *  | Resigned 25/01/2019    | Resigned as a trustee 13/03/2019          |
| Mrs. K Hillier  | Resigned 25/01/2019    | Vice Chair of Trustees and Parent Trustee |
|                 |                        | Resigned as a trustee 13/03/2019          |

#### Trustees

|                     |                        |  |
|---------------------|------------------------|--|
| Ms. N Cutler        | Resigned 13/03/2019    | Staff Trustee                            |
| Mr. A Davies *      | Resigned 13/03/2019    | Staff Trustee                            |
| Mr. D Dawkins *     | MAT Trustee 13/03/2019 |  |
| Mrs. D Goodall *    | Resigned 07/11/2018    |  |
| Mr. S Harris        | Resigned 13/03/2019    | Deputy Head Teacher and Co-opted Trustee |
| Miss K McNicholas * | Resigned 07/11/2018    | Staff Trustee                            |
| Ms. M Riddle        | Resigned 13/03/2019    | Parent Trustee                           |
| Mr. A Seager        | Resigned 13/03/2019    |  |
| Mr. A Sims          | Resigned 13/03/2019    |  |
| Ms. J Taylor        | Resigned 13/03/2019    |  |
| Mr. A Yip           | Resigned 13/03/2019    |  |

\* Trustee of Finance & Resources Committee

### MAT

#### Members

|                |                      |                   |
|----------------|----------------------|-------------------|
| Mr. M Jameson  | Appointed 25/01/2019 | Chair of Trustees |
| Mr. C Hussey   | Appointed 25/01/2019 |                   |
| Mr. R Linforth | Appointed 25/01/2019 |                   |

#### Trustees

|                 |                      |  |
|-----------------|----------------------|--|
| Mr. D Dawkins   | Appointed 13/03/2019 |  |
| Mr. S Edmonds   | Appointed 13/03/2019 |  |
| Mr. S Hughes    | Appointed 13/03/2019 | Chief Executive Officer (CEO) & Accounting Officer |
| Ms. A Lofthouse | Appointed 13/03/2019 |  |
| Mr. L Stephens  | Appointed 13/03/2019 |  |
| Mr. N Taynton   | Appointed 13/03/2019 |  |

Company Secretary Mrs D Rush

### Senior Leadership Team

|                                       |                 |   |
|---------------------------------------|-----------------|---|
| Executive Head                        | Mr S Hughes     | Interim Chief Executive Officer 01/10/2018  |
| Head of Primary                       | Mr S Harris     | Interim Head Mayfield 11/07/2018            |
| Head of Secondary                     | Mr C Wilson     | Interim Head Queensbury 19/10/2018          |
| Business Manager                      | Mrs D Rush      | Interim Chief Operations Officer 01/10/2018 |
| Deputy Head of Secondary              | Mrs A Mason     | Interim Head of Secondary 12/11/2018        |
| Deputy Head of Primary                | Mrs S Parker    | Interim Head of Primary 10/09/2018          |
| Primary Literacy Co-ordinator         | Mrs C Ratcliffe | Interim Deputy of Primary 10/09/2018        |
| Head of 6 <sup>th</sup> Form and Vice |                 |   |
| Principal college                     | Mrs E Dean      | Interim Deputy of Secondary 12/11/2018      |

Education Impact Academy Trust  
Reference and Administration Details  
Year Ended 31<sup>st</sup> August 2019

|                             |  |
|-----------------------------|--|
| Company Name                | Education Impact Academy Trust   |
| Registered Office           | Perry Common Road<br>Erdington<br>Birmingham B23 7AT                                 |
| Company Registration Number | 07972037 (England and Wales)   |
| Auditors                    | Feltons (Bham) Ltd<br>8 Sovereign Court<br>8 Graham Street<br>Birmingham B1 3JR      |
| Bankers                     | Lloyds TSB Bank plc<br>25 Gresham Street<br>London EC2V 7HN                          |
| Solicitors                  | Browne Jacobson LLP<br>Victoria Square House<br>Victoria Square<br>Birmingham B2 4BU |



## Education Impact Academy Trust

### Trustees' Report (Continued)

Year Ended 31<sup>st</sup> August 2019

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1<sup>st</sup> September 2018 to 31<sup>st</sup> August 2019. The annual report serves the purposes of both a trustees' report and directors' report under company law.

The trust operates an academy for 235 Special Educational Needs pupils with physical disabilities, complex medical needs and Profound and Multiple Learning Difficulties (PMLD) aged 2 to 19; and a 40 ft place nursery which caters for mainstream pupils aged 2, 3 and 4 year olds.

### Structure, Governance and Management

#### Constitution

The Multi Academy Trust (MAT) 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 MAT. The Trustees of Education Impact Academy Trust are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Education Impact Academy Trust. Details of the trustees who served throughout the year except as noted are included in the Reference and Administrative Details on page 2.

#### Members' Liability

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

#### Trustees' Indemnities

In accordance with normal commercial practice the MAT has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omission occurring whilst on MAT business. The insurance provides cover up to £5,000,000 on any one claim for both the MAT and the college.

#### Method of Recruitment and Appointment or Election of Trustees

Trustees are appointed based on the skills that they will bring to the Trust Board which compliment current Trustee's skills, expertise and experience. There is 1 trustee who has special responsibility for Trustee training.

The term of office for any Trustee shall be 4 years except for the Chief Executive Officer who shall remain in office for the duration of their employment in the post. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be reappointed or re-elected.

#### Policies and Procedures Adopted for the Induction and Training of Trustees.

Education Impact Academy Trust procure Trustee Support services from Birmingham Local Authority and training for all Trustees is tailored around their existing experience and skills, co-ordinated by the Interim Head of secondary who is the lead for Professional Development in school. Prospective Trustees are given a tour of the school and a chance to meet staff and pupils. Newly appointed Trustees are encouraged to attend Trustee Induction training and other training specific to their needs.

All Trustees have access to information via the Trustees website which holds paperwork relating to past meetings, schedule of future meetings and training opportunities.

#### Organisational Structure

The governance of the MAT is defined in the Memorandum and Articles of Association together with the Master funding agreement with the Department of Education.

## **Education Impact Academy Trust**

### **Trustees' Report (Continued)**

**Year Ended 31<sup>st</sup> August 2019**

The Trust Board for the Single Academy Trust (SAT) has established committees and appoints Trustees to serve on each of the committees annually. The committees for the period of the report were:

- Finance and Resources
- Pay
- Curriculum
- CEO Performance Management
- Appeals

The Terms of Reference of the committees are reviewed annually and specify the committee structure, frequency of meetings, decision making and delegated limits for management. They specifically include setting the Academy's policies, adopting the School Development Plan and budget, monitoring performance against these plans and making decisions regarding curriculum, achievements and welfare of pupils, staffing/spending levels and risk assessment.

The Trust Board have appointed an internal auditor to give assurance that the academy's Financial Procedures are being adhered to and funds are being expended appropriately.

Decisions relating to statutory requirements of achievement and standards, and ensuring financial compliance of the MAT are reserved for the board of trustees. Those responsibilities delegated to management include day-to-day management of the MAT's curriculum and finances ensuring compliance with delegated limits.

## Education Impact Academy Trust

### Trustees' Report (Continued)

Year Ended 31<sup>st</sup> August 2019

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

Pay increments for all staff are subject to successful Performance Management. Staff have to meet specified targets, set and monitored by line managers in line with the School Development Plan, and specified Trustees in the case of the Executive Head. All staff are paid within ranges on nationally agreed pay scales.

#### Trade union facility time

Information in accordance with Schedule 2 of the Trade Union (Facility Time Publication Requirements) Regulations 2017 is as follows:

##### *Relevant union officials*

| Number of employees who were relevant union officials during the relevant period | Full-time equivalent number |
|--|-----------------------------|
| 0  | 0                           |

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

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

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

|   |            |
|---|------------|
| Total cost of facility time                   | £615       |
| Total pay bill                                | £4,104,047 |
| Facility time as percentage of total pay bill | 0.015%     |

##### *Paid trade union activities*

|   |   |
|---|---|
| Time spent on paid trade union activities as a percentage of total paid facility time hours | 0 |
|---|---|

#### Related parties and other Connected Charities and Organisations

Education Impact Academy Trust is a MAT and has a related party relationship with other site users, including James Brindley and Wilson Stuart UCB Partnership Trust, regarding shared facilities which are managed by a local agreement. This agreement includes apportioned costs and shared use.

We also have connections/partnerships with University College Birmingham, the Arthur Terry Teaching School, Wilson Stuart Active Society and HSBC bank.

### Objectives and Activities

#### Objects and Aims

The MAT's strategic object is to advance for the public benefit education for children aged 2-19 years. The Trustees' vision is to promote independent living and access to employment or volunteering and further details are contained in the School Development Programme.

#### Objectives, Strategies and Activities

The main objectives for the period ending 31<sup>st</sup> August 2019 are detailed below:-

- To raise the standard of educational achievement of all pupils

## Education Impact Academy Trust

### Trustees' Report (Continued)

Year Ended 31<sup>st</sup> August 2019

- To ensure every pupil receives high quality education with equal access to resources and teaching
- To improve the effectiveness of the MAT by keeping the curriculum and organisational structure under continual review
- To provide value for money of the funds expended
- To comply with all appropriate statutory and curriculum requirements
- To conduct the MAT's business in accordance with the highest standards of integrity and openness

The strategies adopted for achieving these objectives are:

- Monitoring and evaluating the School Development Plan ensuring it meets its aims
- Obtaining quotes and tenders for goods/works/services to ensure best price and quality are achieved
- Scrutiny of and reporting to the Trust Board

Significant activities linked to the trust's charitable activities, and how they further its aims, have been:

- Work placements for students to promote independence
- Partnerships with outside agencies and collaboration with universities and other schools
- Funding bids to Education Skills Funding Agency and Local Authority

#### Public Benefit

In setting our objectives and planning our activities, the Trust Board has given careful consideration to the general guidance on public benefit published by the Charity Commission on their website at [www.gov.uk/topic/running-charity/managing-charity](http://www.gov.uk/topic/running-charity/managing-charity) in exercising their powers or duties.

Education Impact Academy Trust is an equal opportunity employer, and strives to give full and fair consideration to all applicants for employment, training and promotions, irrespective of disability, gender, race, colour or sexual orientation.

### Strategic Report

#### Key Performance Indicators

##### Key Stage 1 - Phonics Test

(National pass mark = 32 / 40)

- Two year 1 pupils took the Phonics Test and scored **20/40** and **19/40**.
- 10 pupils were working below the phonics level for test at year 1.
- Three year 2 pupils took the Phonics Test and scored: **30/40**, **9/40** and **0/40**.
- 7 pupils were working below the standard of the test at year 2.

#### National test results Key Stage 1 SATS

1 student was entered for KS1 SATs (reading paper only). A scaled score of 100 shows students have met the standard of the test. The lowest scaled score is 80.



# Education Impact Academy Trust

## Trustees' Report (Continued)

Year Ended 31<sup>st</sup> August 2019

**Student 1 achieved a scaled score of 96.**

| Reporting mechanism to DfE |   |  |         |       | WS P-steps                                     |  |                                      |       |         |   |   |   |   |   |
|----------------------------|---|--|---------|-------|--|--|--------------------------------------|-------|---------|---|---|---|---|---|
| Key stage 1                | Writing   |  | Reading | Maths | Science  | Number of pupils                       |                                      |       |         |   |   |   |   |   |
|                            |   |  |         |       |  | Writing                                | Reading                              | Maths | Science |   |   |   |   |   |
| High Attaining             | GDS<br>Working at Greater Depth within the expected Standard                    |  |         |       | N/A  | KS1 Teacher Assessment framework codes | GDS (>P11)                           |       |         |   |   |   |   |   |
| Expected Standard          | EXS<br>Working at the expected Standard   |  |         |       |  |  | EXS (completed P10)                  |       |         |   |   |   |   |   |
| Lower Attaining            | WTS<br>Working Towards the expected Standard                                    |  |         |       |  | Final Pre-KS1 standards codes          | WTS (within P10)                     |       |         |   |   |   |   |   |
|                            | PK4<br>(Standard 4)   |  |         |       |  |  | Working within P9                    |       |         |   |   |   |   |   |
|                            | PK3<br>(Standard 3)   |  |         |       | HMSP<br>Non-Test Matrices expected<br>Guidance |  | Working within P8                    |       |         |   |   |   |   |   |
|                            | PK2<br>(Standard 2)   |  |         |       |  |  | P6 - completed P7 (within P6 and P7) |       |         |   | 1 | 3 | 1 | 1 |
|                            | PK1<br>(Standard 1)   |  |         |       |  |  | P4 - completed P5 (within P4 and P5) |       |         |   | 5 | 3 | 5 | 4 |
|                            | BLW (with P-Scales)<br>(Reported with P-Scales 1-4 or N/A/SD/NA as appropriate) |  |         |       |  | BLW PMLD P1- to completed P3ii         |                                      |       |         | 4 | 4 | 4 | 5 |   |
| Other Values               | A/D<br>Assessment Disrupted   |  |         |       |  | Non subject specific study             | A/D                                  |       |         |   |   |   |   |   |

### Key Features at Key Stage 1:

- Pupils' scores have been mapped onto the KS1 pre-key stage standards.
- Students performed in line with teacher expectations with all students in the upper or median quartiles (43% and 57%).

### Key Stage 2 SATS 2018-19

| Reporting mechanism to DFE |   |                |          |  | Number of pupils   |                                      |   |   |   |   |
|----------------------------|---|----------------|----------|--|--|--------------------------------------|---|---|---|---|
| Key stage 2                | Writing   | Reading        | Maths    | Science                                    | WS P-Steps   |                                      |   |   |   |   |
| High Attaining             | GDS<br>Working at Greater Depth within the expected Standard                    | N/A            | N/A      | EXS<br>Working at the Expected Standard    | KS2 Teacher assessment framework codes not required for Pleading or Motion Forged and unauthenticated  | GDS (>P16)                           |   |   |   |   |
| Expected Standard          | EXS<br>Working at the Expected Standard   | N/A            | N/A      |  |  | EXS (completed P15)                  |   |   |   |   |
|                            | WTS<br>Working Towards the expected Standard                                    | N/A            | N/A      |  |  | WTS (Completed P11 - P14)            |   |   |   |   |
| Lower Attaining            | PK6<br>Standard 6<br>(Assessment framework at the expected standard)            |                |          | HNM*<br>Marked below the expected standard | Final Pre-KS2 standards codes not used for P2 to P16 as pupils are working across the national curriculum assessment standards at these levels | Working within P11                   | 1 | 2 | 1 |   |
|                            | PK5<br>Standard 5<br>(Assessment framework at the expected standard)            |                |          |  |  | Working within P10                   | 2 |   | 2 |   |
|                            | PK4<br>Standard 4   |                |          |  |  | Working within P9                    | 1 | 3 | 1 |   |
|                            | PK3<br>Standard 3   |                |          |  |  | Working within P8                    | 1 | 2 | 4 | 5 |
|                            | PK2<br>Standard 2   |                |          |  |  | P6 - completed P7 (within P6 and P7) | 3 | 1 | 1 | 3 |
|                            | PK1<br>Standard 1   |                |          |  |  | P4 - completed P5 (within P4 and P5) | 3 | 2 | 1 | 1 |
|                            | BLW (with P-Scales)<br>(Reported with P-Scales 1-4 or N/A/SD/NA as appropriate) |                |          |  |  | BLW PMLD P1- to completed P3ii       | 2 | 3 | 3 | 4 |
|                            |   |                |          |  |  |                                      |   |   |   |   |
| Other Values               | A<br>Absent   | D<br>Disrupted | L<br>Low | F/P<br>Final Pre-KS2 standard codes        | Non subject specific study   | A/D                                  |   |   |   |   |

### National Test Results Key Stage 2

- 6 students sat KS2 SATS this academic year.
- A scaled score of 100 shows students have met the standard of the test. The lowest scaled score is 80. An N indicates that a student has not achieved an outcome.
- More students were entered for KS2 SATs than any other year with positive results!

**Education Impact Academy Trust**

**Trustees' Report (Continued)**

**Year Ended 31<sup>st</sup> August 2019**

|                      | Writing | Reading | Maths |
|----------------------|---------|---------|-------|
| Student 1            | 81      | N       | 82    |
| Student 2            | 85      | N       | N     |
| Student 3            | 80      | 86      | 84    |
| Student 4            | 83      | 83      | 80    |
| Student 5            | 83      | 80      | 82    |
| Student 6            | 91      | 85      | 82    |
| Average scaled score | 84      | 84      | 82    |

**Key Stage 4 – GCSE / BTEC Results 2018-2019**

**Key stage 4 GCSE Exam results 2018 - 2019**

| GRADE                  | 9 | 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 | U/Fail | Pass rate | L1 | L2 | No of candidates |
|------------------------|---|---|---|---|---|---|---|---|---|--------|-----------|----|----|------------------|
| English language       |   |   |   | 1 | 1 |   | 2 |   | 1 |        | 100%      |    |    | 5                |
| English literature     |   |   |   |   |   | 2 | 1 | 2 |   |        | 100%      |    |    | 5                |
| Maths                  |   |   |   |   |   | 1 | 1 | 1 | 1 | 1      | 80%       |    |    | 5                |
| Science (double award) |   |   |   |   | 2 | 1 | 3 | 4 |   |        | 100%      |    |    | 5                |
| Geography              |   |   |   |   |   | 1 | 1 | 2 | 1 |        | 100%      |    |    | 5                |
| History                |   |   |   |   |   |   | 4 |   |   |        | 100%      |    |    | 4                |
| Art and Design         |   |   |   | 1 | 1 |   |   | 1 | 1 |        | 100%      |    |    | 4                |
| Creative Craft         |   |   |   |   |   |   |   |   |   |        | 100%      |    | 1  | 1                |
| IT Certificate         |   |   |   |   |   |   |   |   |   |        | 100%      | 5  |    | 5                |

**Key Stage 4 - Entry Level Results 2018-2019**

| Entry level award              | Entry 1 | Entry 2 | Entry 3 | U/Fail | Pass rate | Number of candidates |
|--------------------------------|---------|---------|---------|--------|-----------|----------------------|
| English (Step up silver)       | 5       |         |         |        | 100%      | 5                    |
| Maths                          | 6       |         |         |        | 100%      | 6                    |
| Science                        | 7       |         |         |        | 100%      | 7                    |
| Communication                  | 3       |         |         |        | 100%      | 3                    |
| Occupational studies           |         |         | 4       |        | 100%      | 4                    |
| Exploring occupational studies |         |         | 9       |        | 100%      | 9                    |
| ICT (functional skills)        | 1       | 5       |         |        | 100%      | 6                    |
| Humanities                     |         | 2       | 10      |        | 100%      | 12                   |
| Personal progress              | 7       |         |         |        | 100%      | 7                    |
| Towards independence           | 7       |         |         |        | 100%      | 7                    |

# Education Impact Academy Trust

## Trustees' Report (Continued)

Year Ended 31<sup>st</sup> August 2019

### Key Features:

- 75% of students achieved or exceeded teacher prediction for their GCSE results.
- Maths performed in line with their expectations but not to the same extent as other subjects. 1 student received a U for Maths.
- English Language gained the highest point score on GCSE with results; a grade 6 was achieved.
- 3 students gained high enough results to migrate to mainstream college.

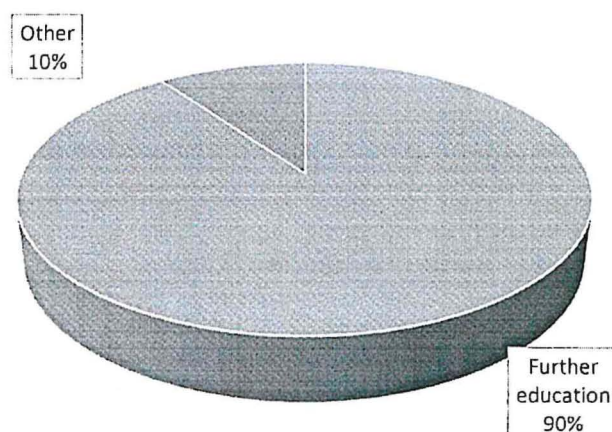
| GRADE                        | 9   | 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 | U/Fail |  | L1  | L2 |   | Entry 1 | Entry 2 | Entry 3 | Pass rate | No of candidates |   |
|------------------------------|-----|---|---|---|---|---|---|---|---|--------|--|-----|----|---|---------|---------|---------|-----------|------------------|---|
| GCSE                         |     |   |   |   |   |   |   |   |   |        |  |     |    |   |         |         |         |           |                  |   |
| GCSE English language        |     |   |   |   |   | 2 | 2 |   |   |        |  | N/A |    |   | N/A     |         |         | 100%      | 4                |   |
| GCSE Maths                   |     |   |   |   |   |   | 2 |   | 1 |        |  |     |    |   |         |         |         |           | 100%             | 5 |
| Level 1 and 2 Qualifications |     |   |   |   |   |   |   |   |   |        |  |     |    |   |         |         |         |           |                  |   |
| Asdan CoPE                   | N/A |   |   |   |   |   |   |   |   |        |  | 7   |    |   |         | N/A     |         |           | 100%             | 7 |
| Home cooking skills          |     |   |   |   |   |   |   |   |   |        |  | 4   | 2  |   |         |         |         |           | 100%             | 6 |
| Entry Level certificates     |     |   |   |   |   |   |   |   |   |        |  |     |    |   |         |         |         |           |                  |   |
| ELC English (Step up gold)   | N/A |   |   |   |   |   |   |   |   |        |  | N/A |    |   |         |         | 5       | 100%      | 5                |   |
| NCFE Maths                   |     |   |   |   |   |   |   |   |   |        |  |     |    |   | 2       | 3       | 100%    | 5         |                  |   |
| OCR Life & Living skills     |     |   |   |   |   |   |   |   |   |        |  |     |    | 1 | 1       | 5       | 100%    | 7         |                  |   |

### Key Stage 5 (SIXTH FORM) 2018 to 2019

### Key Features:

- 100% pass rate for all accreditation – increase on last year where 3.8% failed at Entry Level.
- 86% (6 out of 7 KS5 GCSE resit students) achieved their predicted grade or higher.

### Destination data at end of Key Stage 5





## Education Impact Academy Trust

### Trustees' Report (Continued)

Year Ended 31<sup>st</sup> August 2019

- 90% of the cohort have moved to further education
- 10% (2 students) have not accessed further education – student 1 was too unwell and is currently under Forward Thinking Birmingham and the Adult Transition Team whilst student 2 had been severely ill and parents made the decision to keep him at home but the Adult Transition Team have been notified.
- Direct costs as a percentage of total costs were 71.6 % (2018 : 69.7%)
- Support costs as a percentage of total costs were 28.4 % (2018 : 30.3%)
- Total payroll costs as a percentage of recurring income were 81.7% (2018 : 93.4%)

#### Going concern

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

#### Financial Review

The financial results of Education Impact Academy Trust are detailed in the following pages. It is considered that the finances are sound and well established. The principal financial management policies adopted are laid down by the Finance Handbook for Academies published by the ESFA and requirements as laid down by the Academy's Financial Handbook.

The principal funding source is grant income from the ESFA. All expenditure of this grant income is planned to fulfil the objectives and strategies of the Academy.

During the year ended 31 August 2019 total resources expended were £5,322,650 and the surplus of income over expenditure was £310,477 which included depreciation of £255,535.

#### Reserves Policy

The Trustees continually monitor the reserves of the Charitable Company. This process encompasses the nature of income and expenditure streams and the need to match commitments with income and nature of reserves. It is the Governing Body's general policy to continue to build reserves which can be used for future educational purposes.

The MAT had total funds at 31 August 2019 of £3,776,133 which included £443,617 restricted funds not available for general purposes of the MAT, £526,206 of free reserves defined as unrestricted funds available for general purposes and £8,018,310 which can only be realised by the disposal of tangible fixed assets.

The balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds was a surplus of £969,823.

In addition, the deficit on the restricted pension fund of £5,212,000 arises from an actuarial deficit on the local government pension scheme which will be dealt with as advised by the actuary.

The trustees regularly review the level of reserves to ensure the MAT is sustainable.

#### Investment Policy

The school does not have an investment policy but follows the guidelines of the Academies Financial Handbook. The school reviews investing funds in a high interest account on a regular basis depending on interest rates. At 31<sup>st</sup> August 2019, the MAT had no funds invested in a high interest deposit account.



## Education Impact Academy Trust

### Trustees' Report (Continued)

Year Ended 31<sup>st</sup> August 2019

#### Principal Risks and Uncertainties

The Trustees have considered the major risks and uncertainties facing the Charitable Company which include changes in legislation and regulations and cash flow management and have put in place procedures to deal with these matters.

Attention has also been focussed on non-financial risks arising from fire, health and safety. These risks are managed by ensuring accreditation is up to date, having robust policies in place, and regular awareness training for staff working in these operational areas. A formal review of the Academy's risk register is undertaken on an annual basis.

The actuarial valuation of the Academy's local government pension scheme deficit at 31<sup>st</sup> August 2019 is £5,212,000 which is material and a financial risk for the Academy.

#### **Plans for Future Periods**

The academy's pupil numbers have increased over the last few years, in particular the number of PMLD pupils. EYFS also expanded in response to the provision of places for vulnerable 2 year olds with capital investment to facilitate this expansion.

The new 40fte place mainstream nursery opened in September 2017 and numbers continue to grow. There are 44 pupils on roll, 8 of which are all-year round. These 44 pupils equate to 18.2fte TTO pupils.

The Co-operative was launched in October 2018.

Exploration of forming a MAT has been undertaken over the past few months and if successful, it is likely to be established within the next year.

#### **Funds held as Custodian Trustee on behalf of others**

Neither Education Impact Academy Trust nor the Trust Board is acting as third party custodian trustees.

#### **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.

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 20<sup>th</sup> November 2019 and signed on the board's behalf by:

Signed: Mike Jameson

Mike Jameson  
Chair of Trustees

## Education Impact Academy Trust

### Governance Report

Year Ended 31<sup>st</sup> August 2019

#### Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Head Teacher, 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 Education Impact 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 the Statement of Trustees' responsibilities. The Trust Board has met formally 4 times during the period to 31<sup>st</sup> August 2019. Attendance during the year at meetings of the Trust Board was as follows:-

##### SAT

| Trustee          | Category     | Meetings Attended | Eligible to Attend |
|------------------|--------------|-------------------|--------------------|
| Nici Cutler      | Staff        | 2                 | 2                  |
| Aron Davies      | Staff        | 2                 | 2                  |
| Daniel Dawkins   | Community    | 2                 | 2                  |
| Debra Goodall    | Community    | 0                 | 1                  |
| Simon Harris     | Co-opted     | 2                 | 2                  |
| Kerry Hillier    | Parent       | 0                 | 2                  |
| Stephen Hughes   | Head Teacher | 2                 | 2                  |
| Michael Jameson  | Community    | 2                 | 2                  |
| Peter Keenan     | Staff        | 0                 | 1                  |
| Kelly McNicholas | Staff        | 1                 | 1                  |
| Catherine McPhee | Parent       | 1                 | 1                  |
| Mary Riddell     | Parent       | 2                 | 2                  |
| Andrew Seager    | Community    | 0                 | 2                  |
| Ayden Sims       | Community    | 2                 | 2                  |
| Juliette Taylor  | Community    | 1                 | 2                  |
| Devene Turner    | Community    | 1                 | 2                  |
| Alex Yip         | Community    | 2                 | 2                  |

A review of governance was undertaken during the year which found that 20% of meetings had been missed overall, 9 out of 16 Trustees had 100% attendance and 1 trustee did not attend the 1 meeting they were eligible to prior to their resignation. However, at the meetings the majority of Trustees present contributed to the discussions and acted as a critical friend.

Subsequent to this the following actions were taken:

- attendance of Trustees at meetings is published on the Trustee website
- the Chair of Trustees writes to Trustees who miss meetings to ascertain the reasons why and obtain assurance that they will be in attendance at future meetings

## Education Impact Academy Trust

### Governance Report (Continued)

Year Ended 31<sup>st</sup> August 2019

The Finance & Resources Committee is a sub-committee of the main Trust Board and has met formally 3 times during the period to 31<sup>st</sup> August 2019. Attendance at meetings during the period was as follows:

| Trustee          | Category               | Meetings Attended | Out of a Possible |
|------------------|------------------------|-------------------|-------------------|
| Aron Davies      | Staff                  | 2                 | 2                 |
| Daniel Dawkins   | Chair & Community      | 2                 | 2                 |
| Debra Goodall    | Community              | 0                 | 1                 |
| Steve Hughes     | Head Teacher           | 2                 | 2                 |
| Michael Jameson  | Vice Chair & Community | 2                 | 2                 |
| Peter Keenan     | Staff                  | 0                 | 0                 |
| Kelly McNicholas | Staff                  | 0                 | 1                 |
| Catherine McPhee | Parent                 | 2                 | 2                 |
| Devene Turner    | Community              | 0                 | 2                 |

#### MAT

| Trustee         |                          | Meetings Attended | Eligible to Attend |
|-----------------|--------------------------|-------------------|--------------------|
| Michael Jameson | Chair                    | 2                 | 2                  |
| Steve Hughes    | CEO & Accounting Officer | 2                 | 2                  |
| Daniel Dawkins  |                          | 1                 | 2                  |
| Steve Edmonds   |                          | 1                 | 2                  |
| Alex Lofthouse  |                          | 2                 | 2                  |
| Leon Stephens   |                          | 1                 | 2                  |
| Nick Taynton    |                          | 1                 | 2                  |

#### Review of value for money

As Accounting Officer the CEO has responsibility for ensuring that the MAT trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

- Review annual spending (in line with the SDP) and contracts, making adjustments based on effectiveness of strategies introduced in previous years
- Submitting bids for external funding to support specific and identified projects
- Appointing an internal auditor to provide assurance that the MAT has sound internal controls
- Maximising income generation by hiring out the academy's swimming pool and other facilities.

#### 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 ongoing process designed to identify and prioritise the risks to the achievement of academy's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Education Impact Academy Trust for the period ended 31<sup>st</sup> 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 MAT 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 MAT's significant

## Education Impact Academy Trust

### Governance Report (Continued)

Year Ended 31<sup>st</sup> August 2019

risks that has been in place for the year 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'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 Trustees;
- regular reviews by the Finance and Resources 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 Trustees have considered the need for a specific internal audit function and appointed S4S as an internal auditor. The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. In particular the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase systems
- testing of control accounts / bank reconciliations

The internal auditor produces biannual reports which are presented to Trustees, through the Finance and Resources Committee, on the operation of the systems of control and on the discharge of the Trust Board's financial responsibilities.

There were no material control issues included in the internal audit reports prepared and presented to the Finance and Resources Committee during the year. The external auditor will present the Statutory Accounts in November each year.

#### Review of Effectiveness

As Accounting Officer, the CEO has responsibility for reviewing the effectiveness of the system of internal control.

During the period in question the review has been informed by:

- the work of the external auditor;
- the work of the internal auditor throughout the period;
- the work of the Leadership Team 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 and Resources Committee and ensure continuous improvement of the system is in place.

Approved by order of the members of the Trust Board on 20<sup>th</sup> November 2019 and signed on its behalf by:



Mike Jameson  
Chair of Trustees



Steve Hughes  
Accounting Officer

**Education Impact Academy Trust**

**Statement of regularity, propriety and compliance**

**Year Ended 31<sup>st</sup> August 2019**

As accounting officer of Education Impact Academy Trust I have considered my responsibility to notify the MAT trustees and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the MAT 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 MAT board of trustees are able to identify any material irregular or improper use of funds by the MAT, or material non-compliance with the terms and conditions of funding under the MAT'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 the ESFA.



**Steve Hughes**  
**Accounting Officer**

Date: 28 / 11 / 2019 2019

**Education Impact Academy Trust**  
**Statement of Trustees' Responsibilities**  
**Year Ended 31<sup>st</sup> August 2019**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles 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 [FRS 102] have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 20<sup>th</sup> November 2019 and signed on its behalf by:



**Mike Jameson**  
**Chair of Trustees**

**Education Impact Academy Trust (formerly Wilson Stuart School)**  
**(A Company Limited by Guarantee)**

**Independent Auditor's Report on the Financial Statements to the Members of**  
**Education Impact Academy Trust (formerly Wilson Stuart School)**

**Opinion**

We have audited the financial statements of Education Impact Academy Trust (formerly Wilson Stuart School) (the 'academy trust') for the period ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements :

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2019, and of its incoming resources and application of resources, including its income and expenditure, for the period 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
- 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 financial statements section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.



**Education Impact Academy Trust (formerly Wilson Stuart School)**  
**(A Company Limited by Guarantee)**

**Independent Auditor's Report on the Financial Statements to the Members of Education Impact Academy Trust (formerly Wilson Stuart School)**  
**(continued)**

**Other information**

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

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

We have nothing to report in this regard.

**Opinion on other matter 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 (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

In the light of our knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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



**Education Impact Academy Trust (formerly Wilson Stuart School)**  
**(A Company Limited by Guarantee)**

**Independent Auditor's Report on the Financial Statements to the Members of Education Impact Academy Trust (formerly Wilson Stuart School)**  
**(continued)**

**Responsibilities for the financial statements**

As explained more fully in the trustees' responsibilities statement (set out on page 17), the trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditor's responsibilities for the audit of the financial statements**

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the academy trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the academy trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the academy trust to cease to continue as a going concern.

**Education Impact Academy Trust (formerly Wilson Stuart School)**  
**(A Company Limited by Guarantee)**

**Independent Auditor's Report on the Financial Statements to the Members of Education Impact Academy Trust (formerly Wilson Stuart School)**  
**(continued)**

**Auditor's responsibilities for the audit of the financial statements (continued)**

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Use of our report**

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



**David W Farnsworth FCA (Senior Statutory Auditor)**

For and on behalf of Feltons, Statutory Auditor

8 Sovereign Court

8 Graham Street

Birmingham B1 3JR

03 December 2019

**Education Impact Academy Trust (formerly Wilson Stuart School)**  
**(A Company Limited by Guarantee)**

**Independent Reporting Accountant's Assurance Report on Regularity to Education Impact Academy Trust (formerly Wilson Stuart School) and the Education & Skills Funding Agency**

In accordance with the terms of our engagement letter dated 25 March 2015 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 Education Impact Academy Trust (formerly Wilson Stuart School) 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 Education Impact Academy Trust (formerly Wilson Stuart School) and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Education Impact Academy Trust (formerly Wilson Stuart School) 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 Education Impact Academy Trust (formerly Wilson Stuart School) and ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Education Impact Academy Trust's (formerly Wilson Stuart School) accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Education Impact Academy Trust's (formerly Wilson Stuart School) funding agreement with the Secretary of State for Education dated 29 June 2012 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**Approach**

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

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

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

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

The work undertaken to draw our conclusion includes :

- Consideration of the applicable legislation and the academy trust's funding agreement
- Review and evaluation of the academy trust's system of internal controls
- Examination and assessment of the Accounting Officer's statement on Regularity, Propriety and Compliance
- Examination, on a test basis, of third party evidence supporting income and expenditure
- Review of exceptional and unusual items

**Education Impact Academy Trust (formerly Wilson Stuart School)**  
**(A Company Limited by Guarantee)**

**Independent Reporting Accountant's Assurance Report on Regularity to Education Impact Academy (formerly Wilson Stuart School) and the Education & Skills Funding Agency (continued)**

**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.



**David W Farnsworth FCA (Reporting Accountant)**

For and on behalf of Feltons, Statutory Auditor  
8 Sovereign Court  
8 Graham Street  
Birmingham B1 3JR

03 December 2019

**Education Impact Academy Trust (formerly Wilson Stuart School)**  
**(A Company Limited by Guarantee)**

**Statement of financial activities for the year ended 31 August 2019**  
**(including income and expenditure account)**

|  | Notes  | Unrestricted<br>funds<br>£ | Restricted<br>pension<br>fund<br>£ | Restricted<br>general<br>funds<br>£ | Restricted<br>fixed asset<br>funds<br>£ | Total<br>2018/19<br>£ | Total<br>2017/18<br>£ |
|--|--------|----------------------------|------------------------------------|-------------------------------------|---|-----------------------|-----------------------|
| <b>Income from :</b>   |        |                            |                                    |                                     |   |                       |                       |
| Donations and capital grants                                   | 2      | 17,383                     | -                                  | -                                   | 65,879                                  | 83,262                | 374,946               |
| Transfer from local authority                                  |        | -                          | -                                  | -                                   | 905,000                                 | 905,000               | -                     |
| Charitable activities :  | 3      |                            |                                    |                                     |   |                       |                       |
| Funding for the academy trust's<br>educational operations      |        | 47,921                     | -                                  | 5,173,805                           | -                                       | 5,221,726             | 4,928,795             |
| Other trading activities                                       | 4      | 207,849                    | -                                  | 17,705                              | -                                       | 225,554               | 212,261               |
| Investments  | 5      | 585                        | -                                  | -                                   | -                                       | 585                   | 641                   |
| <b>Total</b>   |        | <b>273,738</b>             | <b>-</b>                           | <b>5,191,510</b>                    | <b>970,879</b>                          | <b>6,436,127</b>      | <b>5,516,643</b>      |
| <b>Expenditure on :</b>  |        |                            |                                    |                                     |   |                       |                       |
| Charitable activities:   |        |                            |                                    |                                     |   |                       |                       |
| Academy trust's educational<br>operations                      | 6      | 101,929                    | 162,000                            | 4,803,186                           | 255,535                                 | 5,322,650             | 5,606,763             |
| <b>Total</b>   |        | <b>101,929</b>             | <b>162,000</b>                     | <b>4,803,186</b>                    | <b>255,535</b>                          | <b>5,322,650</b>      | <b>5,606,763</b>      |
| <b>Net income/(expenditure) before<br/>transfers</b>           |        | <b>171,809</b>             | <b>(162,000)</b>                   | <b>388,324</b>                      | <b>715,344</b>                          | <b>1,113,477</b>      | <b>(90,120)</b>       |
| <b>Transfers between funds</b>                                 | 14     | <b>-</b>                   | <b>-</b>                           | <b>(204,926)</b>                    | <b>204,926</b>                          | <b>-</b>              | <b>-</b>              |
| <b>Net income/(expenditure) after<br/>transfers</b>            |        | <b>171,809</b>             | <b>(162,000)</b>                   | <b>183,398</b>                      | <b>920,270</b>                          | <b>1,113,477</b>      | <b>(90,120)</b>       |
| <b>Other recognised gains/(losses)</b>                         |        |                            |                                    |                                     |   |                       |                       |
| Actuarial gains/(losses) on defined<br>benefit pension schemes | 14, 22 | -                          | (803,000)                          | -                                   | -                                       | (803,000)             | 879,000               |
| <b>Net movement in funds</b>                                   |        | <b>171,809</b>             | <b>(965,000)</b>                   | <b>183,398</b>                      | <b>920,270</b>                          | <b>310,477</b>        | <b>788,880</b>        |
| <b>Reconciliation of funds</b>                                 |        |                            |                                    |                                     |   |                       |                       |
| <b>Total funds brought forward</b>                             | 14     | <b>354,397</b>             | <b>(4,247,000)</b>                 | <b>260,219</b>                      | <b>7,098,040</b>                        | <b>3,465,656</b>      | <b>2,676,776</b>      |
| <b>Total funds carried forward</b>                             |        | <b>526,206</b>             | <b>(5,212,000)</b>                 | <b>443,617</b>                      | <b>8,018,310</b>                        | <b>3,776,133</b>      | <b>3,465,656</b>      |

All of the Academy's activities derive from continuing operations during the above two financial periods.



**Education Impact Academy Trust (formerly Wilson Stuart School)**  
**(A Company Limited by Guarantee)**

**Company number : 07972037**

**Balance sheet as at 31 August 2019**

|  |       | 2019               |                         | 2018               |                         |
|--|-------|--------------------|-------------------------|--------------------|-------------------------|
|  | Notes | £                  | £                       | £                  | £                       |
| <b>Fixed assets</b>                            |       |                    |                         |                    |                         |
| Tangible assets                                | 11    |                    | 7,998,425               |                    | 6,912,255               |
| <b>Current assets</b>                          |       |                    |                         |                    |                         |
| Debtors  | 12    | 382,158            |                         | 541,422            |                         |
| Cash at bank and in hand                       |       | <u>1,204,019</u>   |                         | <u>1,240,508</u>   |                         |
|  |       | 1,586,177          |                         | 1,781,930          |                         |
| <b>Liabilities</b>                             |       |                    |                         |                    |                         |
| Creditors: amounts falling due within one year | 13    | <u>596,469</u>     |                         | <u>981,529</u>     |                         |
| <b>Net current assets</b>                      |       |                    | 989,708                 |                    | 800,401                 |
| <b>Total assets less current liabilities</b>   |       |                    | <u>8,988,133</u>        |                    | <u>7,712,656</u>        |
| Defined benefit pension scheme liability       | 22    |                    | (5,212,000)             |                    | (4,247,000)             |
| <b>Total net assets</b>                        |       |                    | <u><u>3,776,133</u></u> |                    | <u><u>3,465,656</u></u> |
| <b>Funds of the academy trust :</b>            |       |                    |                         |                    |                         |
| <b>Restricted funds</b>                        |       |                    |                         |                    |                         |
| Fixed asset fund                               | 14    | 8,018,310          |                         | 7,098,040          |                         |
| Restricted income fund                         | 14    | 443,617            |                         | 260,219            |                         |
| Pension reserve                                | 14    | <u>(5,212,000)</u> |                         | <u>(4,247,000)</u> |                         |
| <b>Total restricted funds</b>                  |       |                    | 3,249,927               |                    | 3,111,259               |
| <b>Unrestricted income funds</b>               | 14    |                    | 526,206                 |                    | 354,397                 |
| <b>Total funds</b>                             |       |                    | <u><u>3,776,133</u></u> |                    | <u><u>3,465,656</u></u> |

The financial statements on pages 24 to 47 were approved by the trustees, and authorised for issue on 28<sup>th</sup> November 2019 and are signed on their behalf by:



Mike Jameson - Chair of Trustees

**Education Impact Academy Trust (formerly Wilson Stuart School)**  
**(A Company Limited by Guarantee)**

**Statement of cash flows for the year ended 31 August 2019**

|  | <b>Notes</b> | <b>2018/19<br/>£</b>  | <b>2017/18<br/>£</b>  |
|--|--------------|-----------------------|-----------------------|
| <b>Cash flows from operating activities</b>                        |              |                       |                       |
| Net cash provided by / (used in) operating activities              | 18           | 333,752               | 624,686               |
| <b>Cash flows from investing activities</b>                        | 19           | (370,241)             | (294,751)             |
| <b>Change in cash and cash equivalents in the reporting period</b> |              | <hr/> (36,489) <hr/>  | <hr/> 329,935 <hr/>   |
| Cash and cash equivalents at 1 September 2018                      |              | 1,240,508             | 910,573               |
| <b>Cash and cash equivalents at 31 August 2019</b>                 | 20           | <hr/> 1,204,019 <hr/> | <hr/> 1,240,508 <hr/> |

**Education Impact Academy Trust (formerly Wilson Stuart School)**  
**(A Company Limited by Guarantee)**

**Notes to the financial statements for the year ended 31 August 2019**

**1. Accounting policies**

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

**Basis of preparation**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (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.

Education Impact Academy Trust (formerly Wilson Stuart School) meets the definition of a public benefit entity under FRS 102.

**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 company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

**Income**

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

- **Grants**

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

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

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



**Education Impact Academy Trust (formerly Wilson Stuart School)**  
**(A Company Limited by Guarantee)**

**Notes to the financial statements for the year ended 31 August 2019 (continued)**

**1. Accounting policies (continued)**

**Income (continued)**

- **Donations**  
Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.
- **Other income**  
Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.
- **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. Upon sale the fair value of the goods is charged against, and the proceeds are recognised as, 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be 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.

**Expenditure**

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

- **Expenditure on raising funds**  
  
This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.
- **Charitable activities**  
  
These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

**Education Impact Academy Trust (formerly Wilson Stuart School)**  
**(A Company Limited by Guarantee)**

**Notes to the financial statements for the year ended 31 August 2019 (continued)**

**1. Accounting policies (continued)**

**Tangible fixed assets**

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 requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

|                          |                  |
|--------------------------|------------------|
| Long leasehold buildings | - 2% on cost     |
| Fittings and equipment   | - 20% on cost    |
| Computer hardware        | - 33.33% on cost |
| Motor Vehicles           | - 20% on cost    |

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

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

**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.

**Leased assets**

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

**Financial instruments**

The academy trust only holds basic financial instruments as defined by 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.

**Education Impact Academy Trust (formerly Wilson Stuart School)**  
**(A Company Limited by Guarantee)**

**Notes to the financial statements for the year ended 31 August 2019 (continued)**

**1. Accounting policies (continued)**

**Financial instruments (continued)**

*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.

**Taxation**

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

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

**Pension benefits**

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

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

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.

**Education Impact Academy Trust (formerly Wilson Stuart School)**  
**(A Company Limited by Guarantee)**

**Notes to the financial statements for the year ended 31 August 2019 (continued)**

**1. Accounting policies (continued)**

**Pension benefits (continued)**

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

**Fund accounting**

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

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

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

**Critical accounting estimates and areas of judgement**

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

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, 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.

**Agency arrangements**

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 24.

**Education Impact Academy Trust (formerly Wilson Stuart School)**  
**(A Company Limited by Guarantee)**

**Notes to the financial statements for the year ended 31 August 2019 (continued)**

**2. Donations and capital grants**

|                   | Unrestricted<br>funds<br>£ | Restricted<br>general<br>fund<br>£ | Restricted<br>fixed asset<br>funds<br>£ | 2018/19<br>Total<br>£ | 2017/18<br>Total<br>£ |
|-------------------|----------------------------|------------------------------------|---|-----------------------|-----------------------|
| Capital grants    | -                          | -                                  | 65,879                                  | 65,879                | 372,438               |
| Other donations   | 17,383                     | -                                  | -                                       | 17,383                | 2,508                 |
|                   | <u>17,383</u>              | <u>-</u>                           | <u>65,879</u>                           | <u>83,262</u>         | <u>374,946</u>        |
| <b>2018 total</b> | <u>2,508</u>               | <u>-</u>                           | <u>372,438</u>                          | <u>374,946</u>        |                       |

**3. Funding for the Academy Trust's educational operations**

|  | Unrestricted<br>funds<br>£ | Restricted<br>general<br>fund<br>£ | Restricted<br>fixed asset<br>funds<br>£ | 2018/19<br>Total<br>£ | 2017/18<br>Total<br>£ |
|--|----------------------------|------------------------------------|---|-----------------------|-----------------------|
| <b>DfE/ESFA grants</b>                                       |                            |                                    |   |                       |                       |
| General Annual Grant (GAG)                                   | -                          | 2,358,549                          | -                                       | 2,358,549             | 2,383,501             |
| Other DfE Group grants                                       | -                          | 333,848                            | -                                       | 333,848               | 126,329               |
|  | <u>-</u>                   | <u>2,692,397</u>                   | <u>-</u>                                | <u>2,692,397</u>      | <u>2,509,830</u>      |
| <b>Other government grants</b>                               |                            |                                    |   |                       |                       |
| Local authority grants                                       | -                          | 2,456,328                          | -                                       | 2,456,328             | 2,354,593             |
| Other government funding                                     | -                          | 25,080                             | -                                       | 25,080                | 16,632                |
|  | <u>-</u>                   | <u>2,481,408</u>                   | <u>-</u>                                | <u>2,481,408</u>      | <u>2,371,225</u>      |
| Other income from the academy trust's educational operations | 47,921                     | -                                  | -                                       | 47,921                | 47,740                |
|  | <u>47,921</u>              | <u>2,481,408</u>                   | <u>-</u>                                | <u>2,529,329</u>      | <u>2,418,965</u>      |
|  | <u>47,921</u>              | <u>5,173,805</u>                   | <u>-</u>                                | <u>5,221,726</u>      | <u>4,928,795</u>      |
| <b>2018 total</b>  | <u>47,740</u>              | <u>4,881,055</u>                   | <u>-</u>                                | <u>4,928,795</u>      |                       |

**4. Other trading activities**

|                    | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | 2018/19<br>Total<br>£ | 2017/18<br>Total<br>£ |
|--------------------|----------------------------|--------------------------|-----------------------|-----------------------|
| Hire of facilities | 82,605                     | -                        | 82,605                | 69,654                |
| Miscellaneous      | 125,244                    | 17,705                   | 142,949               | 142,607               |
|                    | <u>207,849</u>             | <u>17,705</u>            | <u>225,554</u>        | <u>212,261</u>        |
| <b>2018 total</b>  | <u>185,657</u>             | <u>26,604</u>            | <u>212,261</u>        |                       |

**Education Impact Academy Trust (formerly Wilson Stuart School)**  
**(A Company Limited by Guarantee)**

**Notes to the financial statements for the year ended 31 August 2019 (continued)**

**5. Investment income**

|                     | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | 2018/19<br>Total<br>£ | 2017/18<br>Total<br>£ |
|---------------------|----------------------------|--------------------------|-----------------------|-----------------------|
| Short term deposits | 585                        | -                        | 585                   | 641                   |
| <b>2018 total</b>   | <b>641</b>                 | <b>-</b>                 | <b>641</b>            |                       |

**6. Expenditure**

|                                  | Staff<br>costs<br>£ | Non pay expenditure<br>Premises      Other<br>£                      £ |                | 2018/19<br>Total<br>£ | 2017/18<br>Total<br>£ |
|----------------------------------|---------------------|--|----------------|-----------------------|-----------------------|
| Academy's educational operations |                     |  |                |                       |                       |
| Direct costs                     | 3,686,070           | 49,648   | 75,056         | 3,810,774             | 3,908,048             |
| Allocated support costs          | 767,039             | 400,736  | 344,101        | 1,511,876             | 1,698,715             |
|                                  | <u>4,453,109</u>    | <u>450,384</u>   | <u>419,157</u> | <u>5,322,650</u>      | <u>5,606,763</u>      |
| <b>2018 total</b>                | <b>4,802,632</b>    | <b>437,550</b>   | <b>366,581</b> | <b>5,606,763</b>      |                       |

Net income/(expenditure) for the period includes :

|                  |                       | 2018/19<br>£ | 2017/18<br>£ |
|------------------|-----------------------|--------------|--------------|
| Operating leases | - plant and machinery | -            | 3,040        |
| Depreciation     |                       | 255,535      | 256,223      |
| auditor          | - audit               | <u>7,750</u> | <u>7,525</u> |

**Education Impact Academy Trust (formerly Wilson Stuart School)**  
**(A Company Limited by Guarantee)**

**Notes to the financial statements for the year ended 31 August 2019 (continued)**

**7. Charitable activities**

|                                  | Unrestricted<br>funds<br>£ | Restricted<br>pension<br>fund<br>£ | Other<br>restricted<br>funds<br>£ | 2018/19<br>Total<br>£ | 2017/18<br>Total<br>£ |
|----------------------------------|----------------------------|------------------------------------|-----------------------------------|-----------------------|-----------------------|
| <b>Educational operations</b>    |                            |                                    |                                   |                       |                       |
| Direct costs                     | 49,601                     | -                                  | 3,761,173                         | 3,810,774             | 3,908,048             |
| Support costs                    | 52,328                     | 162,000                            | 1,297,548                         | 1,511,876             | 1,698,715             |
|                                  | <u>101,929</u>             | <u>162,000</u>                     | <u>5,058,721</u>                  | <u>5,322,650</u>      | <u>5,606,763</u>      |
| <b>2018 total</b>                | <u>4,802,632</u>           | <u>437,550</u>                     | <u>366,581</u>                    | <u>5,606,763</u>      |                       |
| <b>Analysis of support costs</b> |                            |                                    |                                   |                       |                       |
| Support staff costs              | 11,800                     | 162,000                            | 593,239                           | 767,039               | 1,034,362             |
| Depreciation                     | -                          | -                                  | 205,887                           | 205,887               | 201,319               |
| Technology costs                 | -                          | -                                  | 29,874                            | 29,874                | 29,272                |
| Premises costs                   | 3,388                      | -                                  | 191,461                           | 194,849               | 181,327               |
| Other support costs              | 37,140                     | -                                  | 263,776                           | 300,916               | 240,554               |
| Governance costs                 | -                          | -                                  | 13,311                            | 13,311                | 11,881                |
| <b>Total support costs</b>       | <u>52,328</u>              | <u>162,000</u>                     | <u>1,297,548</u>                  | <u>1,511,876</u>      | <u>1,698,715</u>      |
| <b>2018 total</b>                | <u>42,641</u>              | <u>478,000</u>                     | <u>1,178,074</u>                  | <u>1,698,715</u>      |                       |

**8. Staff**

**a) Staff costs**

Staff costs during the period were:

|                       | 2018/19<br>£     | 2017/18<br>£     |
|-----------------------|------------------|------------------|
| Wages and salaries    | 3,224,126        | 3,148,519        |
| Social security costs | 287,495          | 278,610          |
| Pension costs         | 754,426          | 1,098,455        |
|                       | <u>4,266,047</u> | <u>4,525,584</u> |
| Agency staff costs    | 187,062          | 277,048          |
|                       | <u>4,453,109</u> | <u>4,802,632</u> |

**Education Impact Academy Trust (formerly Wilson Stuart School)**  
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Notes to the financial statements for the year ended 31 August 2019 (continued)

**8. Staff (continued)**

**b) Staff numbers**

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

|                            | 2018/19<br>Number | 2017/18<br>Number |
|----------------------------|-------------------|-------------------|
| Teachers                   | 34                | 36                |
| Administration and support | 133               | 127               |
| Management                 | 8                 | 5                 |
|                            | <u>175</u>        | <u>168</u>        |

**c) Higher paid staff**

|   | 2018/19<br>Number | 2017/18<br>Number |
|---|-------------------|-------------------|
| The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was : |                   |                   |
| £60,001 - £70,000   | 3                 | 1                 |
| £70,001 - £80,000   | 1                 | 1                 |
| £80,001 - £90,000   | 1                 | 1                 |
| £90,001 - £100,000  | 1                 | -                 |
| £110,001 - £120,000   | <u>1</u>          | <u>-</u>          |

**d) Key management personnel**

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £647,966 (2018: £556,757).



**Education Impact Academy Trust (formerly Wilson Stuart School)**  
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**Notes to the financial statements for the year ended 31 August 2019 (continued)**

**9. Related Party Transactions - Trustees' remuneration and expenses**

One or more trustees has been paid remuneration or has received other benefits from 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.

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

|   |  |
|---|--|
| S Hughes (principal and trustee)                |  |
| Remuneration                                    | £115,000 - £120,000 (2018 : £85,000 - £90,000) |
| Employer's pension contributions paid           | £15,000 - £20,000 (2018 : £10,000 - £15,000)   |
| S Harris (co-opted trustee - resigned 13/3/19)  |  |
| Remuneration                                    | £50,000 - £55,000 (2018 : £70,000 - £75,000)   |
| Employer's pension contributions paid           | £5,000 - £10,000 (2018 : £10,000 - £15,000)    |
| A Davies (staff trustee - resigned 13/3/19)     |  |
| Remuneration                                    | £25,000 - £30,000 (2018 : £40,000 - £45,000)   |
| Employer's pension contributions paid           | £0 - £5,000 (2018 : £5,000 - £10,000)          |
| K McNicholas (staff trustee - resigned 7/11/18) |  |
| Remuneration                                    | £0 - £5,000 (2018 : £20,000 - £25,000)         |
| Employer's pension contributions paid           | £0 - £5,000 (2018 : £0 - £5,000)               |
| N Cutler (staff trustee - resigned 13/3/19)     |  |
| Remuneration                                    | £25,000 - £30,000 (2018 : £40,000 - £45,000)   |
| Employer's pension contributions paid           | £0 - £5,000 (2018 : £5,000 - £10,000)          |

During the year ended 31 August 2019, travel and subsistence expenses totalling £nil (2018 : £nil ) were reimbursed or paid directly to 0 (2018 : 0 ) trustees.

**10. Trustees' and officers' insurance**

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2019 was £1,857 (2018 : £1,696). The cost of this insurance is included in the total insurance cost.

**Education Impact Academy Trust (formerly Wilson Stuart School)**  
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**Notes to the financial statements for the year ended 31 August 2019 (continued)**

**11. Tangible fixed assets**

|                          | <b>Assets<br/>under<br/>construction<br/>£</b> | <b>Leasehold<br/>land and<br/>buildings<br/>£</b> | <b>Fittings and<br/>equipment<br/>£</b> | <b>Computer<br/>hardware<br/>£</b> | <b>Motor<br/>vehicles<br/>£</b> | <b>Total<br/>£</b> |
|--------------------------|--|---|---|------------------------------------|---------------------------------|--------------------|
| <b>Cost or valuation</b> |  |   |   |                                    |                                 |                    |
| At 1 September 2018      | 202,211  | 7,273,453   | 649,627                                 | 281,402                            | 32,975                          | 8,439,668          |
| Additions                | 279,861  | 912,460   | 101,165                                 | 48,219                             | -                               | 1,341,705          |
| Transfer of assets       | (482,072)                                      | 482,072   | -                                       | -                                  | -                               | -                  |
| At 31 August 2019        | -  | 8,667,985   | 750,792                                 | 329,621                            | 32,975                          | 9,781,373          |
| <b>Depreciation</b>      |  |   |   |                                    |                                 |                    |
| At 1 September 2018      | -  | 691,208   | 554,660                                 | 263,409                            | 18,136                          | 1,527,413          |
| Charge for the year      | -  | 154,359   | 61,239                                  | 33,342                             | 6,595                           | 255,535            |
| At 31 August 2019        | -  | 845,567   | 615,899                                 | 296,751                            | 24,731                          | 1,782,948          |
| <b>Net book values</b>   |  |   |   |                                    |                                 |                    |
| At 31 August 2019        | -  | 7,822,418   | 134,893                                 | 32,870                             | 8,244                           | 7,998,425          |
| At 31 August 2018        | 202,211  | 6,582,245   | 94,967                                  | 17,993                             | 14,839                          | 6,912,255          |

Leasehold property was valued at £4,390,000 by The Valuation Office Agency – DVS and £905,000 by Johnson Fellows Chartered Surveyors. The furniture and equipment and computer hardware were valued as at the same dates by the trustees. The basis on which the valuations were made was depreciated replacement cost.

|   |  |   |   |                                    |                                 |                    |
|---|--|---|---|------------------------------------|---------------------------------|--------------------|
| Cost or valuation at 31 August 2019 is represented by : | <b>Assets<br/>under<br/>construction<br/>£</b> | <b>Leasehold<br/>land and<br/>buildings<br/>£</b> | <b>Fittings and<br/>equipment<br/>£</b> | <b>Computer<br/>hardware<br/>£</b> | <b>Motor<br/>vehicles<br/>£</b> | <b>Total<br/>£</b> |
| Valuation in 2013                                       | -  | 4,390,000   | 118,700                                 | 78,300                             | -                               | 4,587,000          |
| Valuation in 2019                                       | -  | 905,000   | -                                       | -                                  | -                               | 905,000            |
| Cost  | -  | 3,372,985   | 632,092                                 | 251,321                            | 32,975                          | 4,289,373          |
|   | -  | 8,667,985   | 750,792                                 | 329,621                            | 32,975                          | 9,781,373          |

**Education Impact Academy Trust (formerly Wilson Stuart School)**  
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Notes to the financial statements for the year ended 31 August 2019 (continued)

**12. Debtors**

|                                | 2019<br>£      | 2018<br>£      |
|--------------------------------|----------------|----------------|
| Debtors from operations        | 200,647        | 41,127         |
| VAT recoverable                | 44,070         | 78,744         |
| Prepayments and accrued income | 107,830        | 294,076        |
| Other debtors                  | 29,611         | 127,475        |
|                                | <u>382,158</u> | <u>541,422</u> |

**13. Creditors**

|  | 2019<br>£      | 2018<br>£      |
|--|----------------|----------------|
| <b>Amounts falling due within one year :</b> |                |                |
| Creditors from operations                    | 431,440        | 640,692        |
| Accruals and deferred income                 | 128,431        | 296,606        |
| Other creditors                              | 36,598         | 44,231         |
|  | <u>596,469</u> | <u>981,529</u> |
| <b>Deferred income</b>                       |                |                |
| Deferred income at 1 September 2018          | 120,895        | 86,827         |
| Resources deferred in the year               | 12,217         | 120,895        |
| Amounts released from previous years         | (120,895)      | (86,827)       |
| Deferred income at 31 August 2019            | <u>12,217</u>  | <u>120,895</u> |

At the balance sheet date the academy trust was holding funds received in advance for devolved formula capital grant of £6,779 and local authority funding of £5,438.

**Education Impact Academy Trust (formerly Wilson Stuart School)**  
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**Notes to the financial statements for the year ended 31 August 2019 (continued)**

**14. Funds**

|                                     | Balance at<br>1 September<br>2018<br>£ | Income<br>£      | Expenditure<br>£   | Gains,<br>losses and<br>transfers<br>£ | Balance at<br>31 August<br>2019<br>£ |
|-------------------------------------|--|------------------|--------------------|--|--------------------------------------|
| <b>Restricted general funds</b>     |  |                  |                    |  |                                      |
| General Annual Grant (GAG)          | 260,219                                | 2,358,549        | (1,970,225)        | (204,926)                              | 443,617                              |
| Other DfE/ESFA grants               | -                                      | 117,228          | (117,228)          | -                                      | -                                    |
| Other grants                        | -                                      | 2,715,733        | (2,715,733)        | -                                      | -                                    |
|                                     | <u>260,219</u>                         | <u>5,191,510</u> | <u>(4,803,186)</u> | <u>(204,926)</u>                       | <u>443,617</u>                       |
| <b>Restricted fixed asset funds</b> |  |                  |                    |  |                                      |
| Transfer from local authority       | 3,877,707                              | 905,000          | (86,900)           | -                                      | 4,695,807                            |
| DfE Group capital grants            | 1,748,911                              | 34,161           | (45,803)           | -                                      | 1,737,269                            |
| Capital expenditure from GAG        | 931,080                                | -                | (105,530)          | 204,926                                | 1,030,476                            |
| Local authority funding             | 513,751                                | -                | (10,673)           | -                                      | 503,078                              |
| Other funding                       | 26,591                                 | 31,718           | (6,629)            | -                                      | 51,680                               |
|                                     | <u>7,098,040</u>                       | <u>970,879</u>   | <u>(255,535)</u>   | <u>204,926</u>                         | <u>8,018,310</u>                     |
| <b>Pension reserve</b>              | <u>(4,247,000)</u>                     | -                | <u>(162,000)</u>   | <u>(803,000)</u>                       | <u>(5,212,000)</u>                   |
| <b>Total restricted funds</b>       | <u>3,111,259</u>                       | <u>6,162,389</u> | <u>(5,220,721)</u> | <u>(803,000)</u>                       | <u>3,249,927</u>                     |
| <b>Unrestricted funds</b>           |  |                  |                    |  |                                      |
| Other income                        | 354,397                                | 273,738          | (101,929)          | -                                      | 526,206                              |
| <b>Total unrestricted funds</b>     | <u>354,397</u>                         | <u>273,738</u>   | <u>(101,929)</u>   | <u>-</u>                               | <u>526,206</u>                       |
| <b>Total funds</b>                  | <u>3,465,656</u>                       | <u>6,436,127</u> | <u>(5,322,650)</u> | <u>(803,000)</u>                       | <u>3,776,133</u>                     |

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

**Restricted general funds**

These comprise all restricted funds other than restricted fixed asset funds and include grants from The Education & Skills Funding Agency and neighbouring Councils.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2019.

**Unrestricted funds**

These comprise resources that may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

**Restricted fixed asset funds**

These comprise resources which are to be applied to specific capital purposes imposed by The Education & Skills Funding Agency and other sources where the asset acquired or created is held for a specific purpose.

Education Impact Academy Trust (formerly Wilson Stuart School)  
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Notes to the financial statements for the year ended 31 August 2019 (continued)

14. Funds (continued)

Comparative information in respect of the preceding period

|                                     | Balance at<br>1 September<br>2017<br>£ | Income<br>£      | Expenditure<br>£   | Gains,<br>losses and<br>transfers<br>£ | Balance at<br>31 August<br>2018<br>£ |
|-------------------------------------|--|------------------|--------------------|--|--------------------------------------|
| <b>Restricted general funds</b>     |  |                  |                    |  |                                      |
| General Annual Grant (GAG)          | 293,051                                | 2,383,501        | (2,261,264)        | (155,069)                              | 260,219                              |
| Other DfE/ESFA grants               | -                                      | 126,329          | (126,329)          | -                                      | -                                    |
| Other grants                        | -                                      | 2,397,829        | (2,397,829)        | -                                      | -                                    |
|                                     | <u>293,051</u>                         | <u>4,907,659</u> | <u>(4,785,422)</u> | <u>(155,069)</u>                       | <u>260,219</u>                       |
| <b>Restricted fixed asset funds</b> |  |                  |                    |  |                                      |
| Transfer from local authority       | 3,964,607                              | -                | (86,900)           | -                                      | 3,877,707                            |
| DfE Group capital grants            | 1,444,633                              | 350,438          | (46,160)           | -                                      | 1,748,911                            |
| Capital expenditure from GAG        | 881,825                                | -                | (105,814)          | 155,069                                | 931,080                              |
| Local authority funding             | 524,453                                | -                | (10,702)           | -                                      | 513,751                              |
| Other funding                       | 11,238                                 | 22,000           | (6,647)            | -                                      | 26,591                               |
|                                     | <u>6,826,756</u>                       | <u>372,438</u>   | <u>(256,223)</u>   | <u>155,069</u>                         | <u>7,098,040</u>                     |
| <b>Pension reserve</b>              | <u>(4,648,000)</u>                     | <u>-</u>         | <u>(478,000)</u>   | <u>879,000</u>                         | <u>(4,247,000)</u>                   |
| <b>Total restricted funds</b>       | <u>2,471,807</u>                       | <u>5,280,097</u> | <u>(5,519,645)</u> | <u>879,000</u>                         | <u>3,111,259</u>                     |
| <b>Unrestricted funds</b>           |  |                  |                    |  |                                      |
| Other income                        | 204,969                                | 236,546          | (87,118)           | -                                      | 354,397                              |
| <b>Total unrestricted funds</b>     | <u>204,969</u>                         | <u>236,546</u>   | <u>(87,118)</u>    | <u>-</u>                               | <u>354,397</u>                       |
| <b>Total funds</b>                  | <u>2,676,776</u>                       | <u>5,516,643</u> | <u>(5,606,763)</u> | <u>879,000</u>                         | <u>3,465,656</u>                     |

15. Analysis of net assets between funds

Fund balances at  
31 August 2019 are  
represented by:

|                          | Unrestricted<br>funds<br>£ | Restricted<br>pension<br>funds<br>£ | Restricted<br>general<br>funds<br>£ | Restricted<br>fixed asset<br>funds<br>£ | Total<br>funds<br>£ |
|--------------------------|----------------------------|-------------------------------------|-------------------------------------|---|---------------------|
| Tangible fixed assets    | -                          | -                                   | -                                   | 7,998,425                               | 7,998,425           |
| Current assets           | 526,206                    | -                                   | 1,040,086                           | 19,885                                  | 1,586,177           |
| Current liabilities      | -                          | -                                   | (596,469)                           | -                                       | (596,469)           |
|                          | <u>526,206</u>             | <u>-</u>                            | <u>443,617</u>                      | <u>8,018,310</u>                        | <u>8,988,133</u>    |
| Pension scheme liability | -                          | (5,212,000)                         | -                                   | -                                       | (5,212,000)         |
| <b>Total net assets</b>  | <u>526,206</u>             | <u>(5,212,000)</u>                  | <u>443,617</u>                      | <u>8,018,310</u>                        | <u>3,776,133</u>    |

**Education Impact Academy Trust (formerly Wilson Stuart School)**  
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**Notes to the financial statements for the year ended 31 August 2019 (continued)**

**15. Analysis of net assets between funds (continued)**

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

|                          | Unrestricted funds | Restricted pension funds | Restricted general funds | Restricted fixed asset funds | Total funds      |
|--------------------------|--------------------|--------------------------|--------------------------|------------------------------|------------------|
|                          | £                  | £                        | £                        | £                            | £                |
| Tangible fixed assets    | -                  | -                        | -                        | 6,912,255                    | 6,912,255        |
| Current assets           | 354,397            | -                        | 1,241,748                | 185,785                      | 1,781,930        |
| Current liabilities      | -                  | -                        | (981,529)                | -                            | (981,529)        |
|                          | 354,397            | -                        | 260,219                  | 7,098,040                    | 7,712,656        |
| Pension scheme liability | -                  | (4,247,000)              | -                        | -                            | (4,247,000)      |
| <b>Total net assets</b>  | <b>354,397</b>     | <b>(4,247,000)</b>       | <b>260,219</b>           | <b>7,098,040</b>             | <b>3,465,656</b> |

**16. Capital commitments**

|   | 2019<br>£ | 2018<br>£ |
|---|-----------|-----------|
| Contracted for but not provided in the financial statements | -         | 75,097    |

**17. Commitments under operating leases**

The Academy Trust did not have any future lease payments under non-cancellable operating leases as at 31 August 2019 or in the previous year.

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

|  | 2018/19<br>Total<br>£ | 2017/18<br>Total<br>£ |
|--|-----------------------|-----------------------|
| Net income/(expenditure) for reporting period (as per the SoFA)          | 1,113,477             | (90,120)              |
| Adjusted for :   |                       |                       |
| Depreciation (note 11)   | 255,535               | 256,223               |
| Capital grants from DfE and other capital income                         | (65,879)              | (372,438)             |
| Transfer from local authority  | (905,000)             | -                     |
| Interest receivable (note 5)   | (585)                 | (641)                 |
| Defined benefit pension scheme cost less contributions payable (note 22) | 61,000                | 362,000               |
| Defined benefit pension scheme finance cost/(income) (note 22)           | 101,000               | 116,000               |
| Decrease / (increase) in debtors   | 159,264               | (144,384)             |
| Increase / (decrease) in creditors                                       | (385,060)             | 498,046               |
| <b>Net cash provided by / (used in) operating activities</b>             | <b>333,752</b>        | <b>624,686</b>        |

**Education Impact Academy Trust (formerly Wilson Stuart School)**  
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**Notes to the financial statements for the year ended 31 August 2019 (continued)**

**19. Cash flows from investing activities**

|  | 2018/19<br>Total<br>£ | 2017/18<br>Total<br>£ |
|--|-----------------------|-----------------------|
| Interest received  | 585                   | 641                   |
| Purchase of tangible fixed assets                            | (436,705)             | (667,830)             |
| Capital grants from DfE Group                                | 34,161                | 350,438               |
| Capital funding from others                                  | 31,718                | 22,000                |
| <b>Net cash provided by / (used in) investing activities</b> | <u>(370,241)</u>      | <u>(294,751)</u>      |

**20. Analysis of cash and cash equivalents**

|                          | At<br>31 August<br>2019<br>£ | At<br>31 August<br>2018<br>£ |
|--------------------------|------------------------------|------------------------------|
| Cash at bank and in hand | 1,204,019                    | 1,240,508                    |
|                          | <u>1,204,019</u>             | <u>1,240,508</u>             |

**21. Members' liability**

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

**22. Pension and similar obligations**

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

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

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



**Education Impact Academy Trust (formerly Wilson Stuart School)**  
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**Notes to the financial statements for the year ended 31 August 2019 (continued)**

**22. Pension and similar obligations (continued)**

**Teachers' Pension Scheme**

**Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

**Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are :

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the year amounted to £231,316 (2018 : £222,772).

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

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

**Education Impact Academy Trust (formerly Wilson Stuart School)**  
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**Notes to the financial statements for the year ended 31 August 2019 (continued)**

**22. Pension and similar obligations (continued)**

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £482,000 (2018 : £491,000), of which employer's contributions totalled £382,000 (2018 : £379,000) and employees' contributions totalled £100,000 (2018 : £112,000). The agreed contribution rates for future years are 16.1% for employers and between 5.8% and 11.4% for employees.

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

The trustees have agreed that the trust will make additional contributions in addition to normal funding levels over the next 25 years.

**Principal actuarial assumptions**

|  | <b>At 31<br/>August 2019</b> | <b>At 31<br/>August 2018</b> |
|--|------------------------------|------------------------------|
| Rate of increase in salaries                         | 3.70%                        | 3.80%                        |
| Rate of increase for pensions in payment / inflation | 2.20%                        | 2.30%                        |
| Discount rate for scheme liabilities                 | 1.85%                        | 2.65%                        |
| Inflation assumption (CPI)                           | 2.20%                        | 2.30%                        |
| Commutation of pensions to lump sums                 | 50.00%                       | 50.00%                       |

**Sensitivity analysis**

|                                   | <b>As<br/>disclosed</b> | <b>Discount<br/>rate</b> | <b>CPI<br/>rate</b> | <b>In life<br/>expectancy</b> |
|-----------------------------------|-------------------------|--------------------------|---------------------|-------------------------------|
|                                   |                         | <b>+ 0.1% pa</b>         | <b>+ 0.1% pa</b>    | <b>+ 1 year</b>               |
|                                   | <b>£'000s</b>           | <b>£'000s</b>            | <b>£'000s</b>       | <b>£'000s</b>                 |
| Present value of total obligation | 9,952                   | 9,711                    | 10,161              | 10,324                        |
| Projected service cost            | 685                     | 667                      | 704                 | 709                           |
|                                   |                         | <b>- 0.1% pa</b>         | <b>- 0.1% pa</b>    | <b>- 1 year</b>               |
|                                   | <b>£'000s</b>           | <b>£'000s</b>            | <b>£'000s</b>       | <b>£'000s</b>                 |
| Present value of total obligation | 9,952                   | 10,199                   | 9,748               | 9,594                         |
| Projected service cost            | 685                     | 704                      | 667                 | 662                           |

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

|                      | <b>At 31<br/>August 2019</b> | <b>At 31<br/>August 2018</b> |
|----------------------|------------------------------|------------------------------|
| Retiring today       |                              |                              |
| Males                | 20.9                         | 21.9                         |
| Females              | 23.2                         | 24.4                         |
| Retiring in 20 years |                              |                              |
| Males                | 22.6                         | 24.1                         |
| Females              | 25.1                         | 26.7                         |

**Education Impact Academy Trust (formerly Wilson Stuart School)**  
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**Notes to the financial statements for the year ended 31 August 2019 (continued)**

**22. Pension and similar obligations (continued)**

**Local Government Pension Scheme (continued)**

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

|                                     | <b>31 August<br/>2019<br/>£</b> | <b>31 August<br/>2018<br/>£</b> |
|-------------------------------------|---------------------------------|---------------------------------|
| Equities                            | 2,850,000                       | 2,662,000                       |
| Government bonds                    | 449,000                         | 303,000                         |
| Other bonds                         | 179,000                         | 156,000                         |
| Property                            | 387,000                         | 342,000                         |
| Cash/liquidity                      | 171,000                         | 158,000                         |
| Other                               | 704,000                         | 588,000                         |
| <b>Total market value of assets</b> | <b>4,740,000</b>                | <b>4,209,000</b>                |

The actual return on scheme assets was £278,000 (2018 : £47,000).

|   | <b>2018/19<br/>£</b> | <b>2017/18<br/>£</b> |
|---|----------------------|----------------------|
| <b>Amount recognised in the statement of financial activities</b> |                      |                      |
| Current service cost  | 441,000              | 739,000              |
| Net interest cost   | 101,000              | 116,000              |
| Administration expenses   | 2,000                | 2,000                |
| <b>Total amount recognised in the SoFA</b>                        | <b>544,000</b>       | <b>857,000</b>       |

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

|   | <b>2018/19<br/>£</b> | <b>2017/18<br/>£</b> |
|---|----------------------|----------------------|
| At 1 September 2018                     | 8,456,000            | 8,463,000            |
| Current service cost                    | 580,000              | 739,000              |
| Interest cost                           | 213,000              | 220,000              |
| Employee contributions                  | 100,000              | 112,000              |
| Actuarial gain/(loss)                   | 1,483,000            | (936,000)            |
| Benefits paid                           | (56,000)             | (142,000)            |
| Change in demographic assumptions       | (514,000)            | -                    |
| Past service cost                       | 113,000              | -                    |
| Liabilities extinguished on settlements | (423,000)            | -                    |
| <b>At 31 August 2019</b>                | <b>9,952,000</b>     | <b>8,456,000</b>     |

**Education Impact Academy Trust (formerly Wilson Stuart School)**  
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**Notes to the financial statements for the year ended 31 August 2019 (continued)**

**22. Pension and similar obligations (continued)**

**Local Government Pension Scheme (continued)**

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

|                                     | 2018/19            | 2017/18            |
|-------------------------------------|--------------------|--------------------|
|                                     | £                  | £                  |
| At 1 September 2018                 | 4,209,000          | 3,815,000          |
| Interest income                     | 112,000            | 104,000            |
| Return on assets less interest      | 166,000            | (57,000)           |
| Employer contributions              | 382,000            | 379,000            |
| Employee contributions              | 100,000            | 112,000            |
| Benefits paid                       | (56,000)           | (142,000)          |
| Administration expenses             | (2,000)            | (2,000)            |
| Settlement prices paid              | (171,000)          | -                  |
| <b>At 31 August 2019</b>            | <b>4,740,000</b>   | <b>4,209,000</b>   |
| <b>Net pension scheme liability</b> | <b>(5,212,000)</b> | <b>(4,247,000)</b> |

**23. Related party transactions**

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH, including notifying ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The following related party transactions took place during the period:

**Wilson Stuart Active Society CIC**

| Consortium in which Steve Hughes, accounting officer, is a trustee | 2019   | 2018   |
|--|--------|--------|
|  | £      | £      |
| Income recharged to related company during the year                | 90,618 | 88,992 |
| Services recharged to related company during the year              | 98,388 | 94,125 |
| Amount due to related company at year end                          | 34,039 | 41,808 |

**Education Impact Academy Trust (formerly Wilson Stuart School)**  
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**Notes to the financial statements for the year ended 31 August 2019 (continued)**

**23. Related party transactions (continued)**

**Wilson Stuart UCB Partnership Trust**

| School in which Steve Hughes, accounting officer, and Debbie Rush, business manager, are trustees | 2019<br>£     | 2018<br>£      |
|---|---------------|----------------|
| Services recharged to related company during the year   | 303,998       | 927,301        |
| Amount due from related company at year end   | <u>29,611</u> | <u>127,475</u> |

In entering into the transaction the trust has complied with the requirements of the Academies Financial Handbook 2018.

**24. 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 received £7,120 (2018 : £8,320) and disbursed £6,884 (2018 : £8,154) from the fund. An amount of £0 (2018 : £0) is included in other creditors relating to undistributed funds that is repayable to ESFA.