



**Inspire Multi Academy Trust
(A Company Limited by Guarantee)**

Annual Report and Financial Statements

Year ended 31 August 2019

Company Registration Number:
08287012 (England and Wales)

Inspire Multi Academy Trust

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Inspire Multi Academy Trust

Reference and Administrative Details

Members	J Chadd M Foster R Storey (resigned 3 June 2019) S Ruffell
Trustees	A McCully (Staff Trustee, Executive Bursar, Chief Financial Officer) A Parr (from 24 January 2019) C Graham (from 24 January 2019) E Scribbins H Brown J West (Chief Executive Headteacher and Accounting Officer) K Gilligan (resigned 24 January 2019) M Byers S Ruffell (Chairman) T Pizl (Staff Trustee)
Company Secretary	S Allan
Senior Management Team	Chief Executive Headteacher J West Executive Bursar A McCully Lead Headteacher T Pizl
Company Name	Inspire Multi Academy Trust
Principal and Registered Office	Archer Road Farringdon Sunderland SR3 3DJ
Company Registration Number	08287012 (England and Wales)
Independent Auditor	Baldwins Audit Services Wynyard Park House Wynyard Avenue Wynyard TS22 5TB
Bankers	Lloyds TSB Fawcett Street Sunderland Tyne & Wear SR1 1SF
Solicitors	Thorp Parker Newtons 13 High Street Stokesley Middlesbrough TS9 5AD

Inspire Multi Academy Trust

Trustees' Report (continued)

For The Period Ended 31 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 September 2018 to 31 August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operate five academies in Sunderland, Tyne and Wear, admitting pupils aged 3 to 11 years. Our academies are Burnside Academy, Farrington Academy, Fatfield Academy, New Peshaw Academy and Plains Farm Academy.

Our academies are situated in areas of deprivation across the City of Sunderland. The trust has an overall pupil capacity of 1,440. In the school census from May 2019 the actual number on roll within each academy was:

- Burnside - 186
- Farrington - 424
- Fatfield - 228
- New Peshaw - 184
- Plains Farm – 204

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Inspire Multi Academy Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company operates as Inspire Multi Academy Trust.

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

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

Every trustee of the charitable company shall be indemnified out of the assets of the trust against any liability incurred by them in that capacity. This will include defending any proceedings, whether civil or criminal, in which judgment is given in favor or in which they are acquitted. The indemnity cover any application in which relief is granted to them by the court from negligence, default, breach of duty or breach of trust in relation to the affairs of the academy trust.

Method of Recruitment and Appointment or Election of Trustees

Each trustee holds a lead area of responsibility linked to the trust's core business, for example EYFS, human resources, finance, health and safety, risk management; these roles are assigned based on skills and expertise and align with the Governance Competency Framework from the DfE.

Inspire Multi Academy Trust

Trustees' Report (continued)

Recruitment of trustees is administered and managed through recruitment and selection processes, which includes the formation of role profiles and role specifications. Vacancies on the Board of Trustees are advertised externally, through recruitment partners which include Academy Ambassadors, Governors for Schools or Inspiring Governance Service as well as the academy trust website. Candidates are assessed through a competitive interview process administered by a selection panel. This process helps to ensure the strongest candidates are considered for vacant posts.

The number of trustees as set out in the Articles of Association and Funding Agreement shall be not less than three (but unless determined by ordinary resolution) shall not be subject to any maximum.

Subject to the Articles of association, the Company shall have the following trustees:

- up to nine trustees appointed by ordinary resolution by members
- the members may appoint staff trustees through such process as they may determine
- the total number of trustees including the Chief Executive Headteacher who are employees of the company shall not exceed one third of the total number of trustees
- the academy trust will ensure parent participation, utilising Parent Governors on our Local Governing Bodies
- we will ensure a minimum of two Parent Governor positions will be included within the constitution for each Local Governing Body and that suitable procedures are in place to conduct Parent Governor elections.

Policies and Procedures Adopted for the Induction and Training of Trustees

Following their appointment, all new trustees receive an introduction to their role delivered by the Chair of trustees and the Chief Executive Headteacher; this includes a visit to our academies and the opportunity to meet members of the Central Team and Senior Leadership Teams, staff and pupils. From September 2019 any newly appointed trustees or local governors will be assigned a mentor to support their induction into their role.

Training and induction for new trustees or local governors is bespoke and tailored against their existing skills or experience. Inspire Multi Academy Trust is committed to providing training opportunities to enable trustees and local governors to be effective in their roles. Trustees are furnished with a copy of Inspire policies, procedures, minutes, accounts, budget plans, management accounts and other relevant documentation to support them.

The academy trust subscribes to Sunderland City Council's governor training programme. This provides trustees and local governors with access to face-to-face and online training such as Safeguarding, school data analysis, Budget Management, SEN etc.

The trust also procure specialist training, for example safeguarding training via Pam Gartland Safeguarding First Ltd or Prevent from Safer Vision. We also deliver in house training as and when required i.e. data analysis, link governance etc.

An induction pack provides general information for newly appointed trustees and local governors, supporting them to understand their roles and responsibilities within the governance framework and Scheme of Delegation.

Organisational Structure

The multi academy trust's governance structure consists of three levels:

- Members
- Trustees
- Academy Local Governing Bodies

A layered governance structure enables the Board of Trustees to devolve responsibility as appropriate and encourage involvement in decision making at all levels.

Inspire Multi Academy Trust

Trustees' Report (continued)

The members have overall responsibility and ultimate decision-making authority for the academy trust including the establishment and running of the academies.

The trustees retain overall responsibility for strategic planning and setting the company's policy as well as responsibility for all matters relating to finance, human resources and personnel matters. The trustees have the power to direct change when required.

The overall responsibility for holding school leaders to account and driving forward improvements in performance, attainment and progress in each academy is delegated to Local Governing Bodies, with their impact and effectiveness overseen, monitored and challenged by the Board of Trustees. Local Governing Bodies discharge their functions in-line with the Scheme of Delegation and Terms of Reference.

The trustees are responsible for ensuring that Local Governing Bodies fulfil their statutory obligations in a manner, which will allow the academy trust to fulfil its principal aims and objectives. They ensure procedures are in place to deliver regularity, propriety and value for money, setting general policy, adopting the Trust Improvement Plan, setting and monitoring the budgets, external and internal review reports and enabling them to make major decisions about the direction of the company, capital expenditure, leadership appointments etc.

Local Governing Bodies are responsible for adopting an annual School Improvement Plan and implementing policies laid down by the Board of Trustees. The Headteacher of each Academy reports to the Board of Trustees and Local Governing Bodies termly on the outcomes of work in their school.

The Chief Executive Headteacher, Executive Bursar and the Lead Headteacher oversee the leadership and management of the trust at an executive level, implementing policies laid down by the Board of Trustees and reporting to them.

Arrangements for Setting pay and Remuneration of Key Management Personnel

The academy trust follow the School Teachers Pay and Conditions document in determination of pay policies, salary ranges and structures. At the beginning of each academic year, all leaders, teaching and non-teaching staff are set performance management objectives. Salary enhancements or progression is linked to performance. Performance is monitored throughout the year through the application of rigorous performance management procedures.

Performance managers and appraisers assess individual performance termly providing staff with the opportunity to present an evidence base; this includes assessment of training and CPD requirements. The appraiser will provide an indication as to whether the member of staff is on track to meet their performance management objectives and targets.

Trustees consider the performance of staff and any remuneration in relation to performance related pay on an annual basis within the Personnel and Performance Management Committee. This process is usually undertaken in the summer term where appraisers pay recommendations are considered.

Trade Union Facility Time

Relevant Union Officials

Number of employees who were relevant union officials during the relevant period	Full-time Equivalent Employee Number
0	0

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Trustees' Report (continued)

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

Provide the total cost of facility time	0
Provide the total pay bill	£5.075m
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) × 100	0

Paid Trade Union Activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) × 100	0
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An amount of £7,018 has been paid for the Trade Union Facility service level agreement (SLA) in 2018/19. This SLA is administered via Sunderland Local Authority to assist and support industrial relations within Inspire Multi Academy Trust.

Related Parties and other Connected Charities and Organisations

The academy trust consists of five primary academies in Sunderland, Tyne and Wear. The academy trust has no connected charities or organisations to disclose.

We continue to develop professional links with other MATs, schools, academies, colleges and other businesses where these partnerships assist in the academy trust's objectives.

Objectives and Activities

The principal objective and activity of the charitable company, in accordance with the Articles of Association, is the strategic management, development, maintenance and operation of the trust's academies, Burnside Academy, Farringdon Academy, Fatfield Academy, New Penshaw Academy and Plains Farm Academy offering a broad and balanced education for pupils with a range of abilities aged 3 to 11 years.

Objects and Aims

Underpinning the principal objective are a number of other objectives, which assist Academy staff in fulfilling the principal objectives. These are as follows:

- To ensure that the process of education is a partnership between the learner, the school and the parents, together with trustees, employers and the community.
- To keep the pupil at the centre of this process, knowing that they have various talents and aspirations that need encouragement to develop.

Inspire Multi Academy Trust

Trustees' Report (continued)

- To raise standards through a relentless focus on individual achievement / attainment, effective use of new technologies and a higher percentage of outstanding teaching and leadership and management, ensuring at least good progress.
- To challenge all in the academy trust's community to fulfil their responsibilities ensuring accountability and improvement.
- To motivate and inspire all pupils and enable them to be confident, independent lifelong learners equipped to meet the challenges of the 21st century within an outstanding, safe and nurturing environment.
- To ensure all pupils show regard and respect for each other and all the people in the academy trust's communities and play a full part in creating a caring, respectful and supportive school environment.
- To foster pupils outstanding behaviour avoiding all forms of bullying, radicalisation and extremism.

Objectives, Strategies and Activities

Inspire Multi Academy Trust Development Plan Priorities for 2019/20

- Continue to build capacity of the academy trust so that capacity for future expansion remains in line with the growth plan.
- Ensure that Farringdon is restored to a good judgement within its next Ofsted.
- Continue to improve the quality of teaching and learning across the academy trust to include a greater percentage of outstanding teaching.
- Continue to improve levels of attainment and progress across the academy trust to be consistently in line with or exceed national expectations.
- Continue to strategically work to mitigate risk of any potential deficit within 3-5 year budget planning.

The strategies in place to enable the Trust to achieve its objectives are:

- Robust financial management with effective 3-5 year budget planning informs decisions around developing structures and growth.
- Effective relationships with the DfE / CEHT and Trust in terms of negotiating any planned growth. CEHT is a member of the RSC North Reference Group.
- High levels of quality leadership and accountability for improvements to pupil progress and attainment.
- Effective coaching programme within each academy to secure improvements within learning and teaching, middle leadership and pupil outcomes
- Agreed robust accountability and performance management procedures with swift action if non-compliance.

Inspire Multi Academy Trust

Trustees' Report (continued)

Public Benefit

We acknowledge as trustees that the academy trust has complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers during the period, as detailed in L49 of the SORP.

Each of our academies open their premises to community groups and public lettings. The school premises are used for a variety of activities including community football, Skinny Pigs fitness, Karate, Brownies, Pilates and pre-school playgroups. We also run adult and family learning training programmes.

Academy facilities are advertised via the academy websites and are available for use by community groups, the public and charities. Charges are in line with the agreed Lettings Policy and cover overheads, repair and maintenance.

Strategic Report

Achievements and Performance

Four academies within the Trust were re-inspected by Ofsted this academic year and all retained their Good Ofsted judgement. New Penshaw improved its EYFS judgement to Good from Requires Improvement and so is now Good in all Key Judgements. Farringdon is yet to be re-inspected, however, it has had two years of KS2 combined attainment in line with National average and significantly higher than National average since the Requires Improvement inspection.

During a period of challenging National funding levels, the Trust has been able to set balanced budgets for the 2019/20 academic year.

Key Performance Indicators

Attainment at the Good Level of Development (GLD) at the end of EYFS was in line with, or above National GLD for 2018. All academies have improved their GLD score since 2018 with Farringdon now in line with National GLD 2018 and Burnside above National GLD for 2018. (National 2019 is not yet available).

Attainment of the Y1 phonic screen standard has improved across all academies, with the exception of Burnside, since 2018 data. Significant improvements (+11% / +10%) have been achieved within Plains Farm and New Penshaw since 2018 data. Data is now in line with or above the National standard for 2018 (except Burnside which had cohort specific issues).

Attainment at KS2 combined for Reading, Writing and Maths is higher than National average in Fatfield and Farringdon it was in line with National average at 64% (National 2019 Reading, Writing and Maths Combined 65%). Plains Farm Combined figure increased by 5%.

All academies, with the exception of New Penshaw's Reading and Maths are in line with or above National average progress scores for all subjects.

Improvements have been secured in the attainment and progress of Disadvantaged pupils compared to their non-Disadvantaged peers. This needs to continue to improve and is a key priority for each Academy in the Trust, within identified cohorts and subjects.

Inspire Multi Academy Trust

Trustees' Report (continued)

INSPIRE MAT SUMMARY REPORT 2019

EYFS

Percentage of pupils achieving a Good Level of Development

Academy	July 2018	National 18	July 2019	National 19
Farringdon	67%	71.5%	71%	
New Penshaw	72%		70%	
Plains Farm	74%		75%	
Burnside	64%		75%	
Fatfield	73%		76%	

Key Stage 1

Phonics - Year 1

Academy	2018	National 18	2019	National 19
Farringdon	77%	82%	79%	
Plains Farm	77%		88%	
New Penshaw	72%		82%	
Burnside	77%		72%	
Fatfield	76%		83%	

Reading - achieving expected level or above

Reading - achieving greater depth

Academy	2018	National 18	Summer 19	National 19	Academy	2018	National 18	Summer 19	National 19
Farringdon	73%	76%	74%		Farringdon	24%	26%	22%	
Plains Farm	70%		73%		Plains Farm	17%		20%	
New Penshaw	74%		65%		New Penshaw	22%		22%	
Burnside	70%		71%		Burnside	13%		33%	
Fatfield	77%		74%		Fatfield	23%		30%	

Writing - achieving expected level or above

Writing - achieving greater depth

Academy	2018	National 18	Summer 19	National 19	Academy	2018	National 18	Summer 19	National 19
Farringdon	69%	70%	71%		Farringdon	15%	16%	12%	
Plains Farm	70%		73%		Plains Farm	13%		20%	
New Penshaw	70%		65%		New Penshaw	13%		13%	
Burnside	70%		71%		Burnside	13%		25%	
Fatfield	73%		74%		Fatfield	12%		22%	

Maths - achieving expected level or above

Maths - achieving greater depth

Academy	2018	National 18	Summer 19	National 19	Academy	2018	National 18	Summer 19	National 19
Farringdon	75%	76%	74%		Farringdon	20%	22%	19%	
Plains Farm	74%		83%		Plains Farm	17%		23%	
New Penshaw	74%		65%		New Penshaw	17%		22%	
Burnside	73%		75%		Burnside	13%		25%	
Fatfield	85%		78%		Fatfield	31%		26%	

Inspire Multi Academy Trust

Trustees' Report (continued)

Combined Expected Standard

Combined Greater Depth

Academy	Summer 19	Academy	Summer 19
Farringdon	67%	Farringdon	10%
Plains Farm	73%	Plains Farm	20%
New Penshaw	65%	New Penshaw	13%
Burnside	71%	Burnside	21%
Fatfield	74%	Fatfield	22%

Key Stage 2

Reading - achieving expected level or above

Reading - achieving greater depth

Academy	2018	National 18	Summer 19	National 19	Academy	2018	National 18	Summer 19	National 19
Farringdon	87%	75%	78%	73%	Farringdon	24%	28%	13%	27%
Plains Farm	60%		60%		Plains Farm	17%		12%	
New Penshaw	69%		50%		New Penshaw	10%		18%	
Burnside	72%		63%		Burnside	50%		13%	
Fatfield	84%		72%		Fatfield	16%		25%	

Writing - achieving expected level or above

Writing - achieving greater depth

Academy	2018	National 18	Summer 19	National 19	Academy	2018	National 18	Summer 19	National 19
Farringdon	82%	78%	78%	78%	Farringdon	20%	20%	24%	20%
Plains Farm	70%		76%		Plains Farm	0%		12%	
New Penshaw	79%		77%		New Penshaw	3%		14%	
Burnside	72%		70%		Burnside	17%		17%	
Fatfield	87%		82%		Fatfield	23%		30%	

Maths - achieving expected level or above

Maths - achieving greater depth

Academy	2018	National 18	Summer 19	National 19	Academy	2018	National 18	Summer 19	National 19
Farringdon	89%	76%	76%	79%	Farringdon	27%	23%	11%	27%
Plains Farm	53%		64%		Plains Farm	7%		0%	
New Penshaw	72%		73%		New Penshaw	14%		18%	
Burnside	72%		67%		Burnside	44%		10%	
Fatfield	84%		94%		Fatfield	13%		25%	

SPAG - achieving expected level

SPAG - achieving a high score

Academy	2018	National 18	Summer 19	National 19	Academy	2018	National 18	Summer 19	National 19
Farringdon	87%	78%	84%	78%	Farringdon	40%	34%	22%	36%
Plains Farm	73%		72%		Plains Farm	17%		8%	
New Penshaw	76%		68%		New Penshaw	7%		14%	
Burnside	78%		70%		Burnside	61%		20%	
Fatfield	71%		88%		Fatfield	29%		50%	

Inspire Multi Academy Trust

Trustees' Report (continued)

Combined - achieving expected level or above

Combined - achieving greater depth

Academy	2018	National 18	Summer 19	National 19	Academy	2018	National 18	Summer 19	National 19
Farringdon	89%	64%	64%	65%	Farringdon	9%	10%	2%	11%
Plains Farm	47%		52%		Plains Farm	0%		0%	
New Penshaw	62%		50%		New Penshaw	0%		9%	
Burnside	72%		60%		Burnside	17%		7%	
Fatfield	84%		66%		Fatfield	3%		13%	

Progress Measures

Academy	Reading	Writing	Maths
Farringdon	+0.9	+1.2	-0.6
Plains Farm	+0.4	+1.5	-1.8
New Penshaw	-2.7	-0.6	-2.6
Burnside	-1.5	+1.0	-1.1
Fatfield	-0.8	+1.0	+1.4

Any progress measure which is a negative score is being systematically and strategically addressed through the Trust Improvement Plan and School Improvement Plan in order to secure improvements.

The effective strategic planning, systems and working relationships across the academy trust ensures that our capacity for further improvement is strong. This was supported by our Annual MAT review with the DfE which agreed with our strengths and areas for development.

All academies have improved overall attendance slightly from 2018 figures. Fatfield met National Average attendance. New Penshaw, Plains Farm and Fatfield have significantly reduced the percentage of pupils who were Persistently Absent. Ofsted verified in the four Inspections this academic year that procedures were robust and effective at securing improvements for attendance.

Attendance, particularly persistent absenteeism remains a key focus for all academies and is reviewed termly by Local Governing Bodies and trustees. Academies continue to work closely with their attendance officers, parents and children to address this concern.

Going Concern

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

Financial Review

Most of the academy trust's income is obtained from the Department for Education (DfE) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants, including the General Annual Grant (GAG) received during the period covered by this report and the associated expenditure are shown as restricted funds in the Statement of Financial Activities on page 26.

All of the expenditure in the Statement of Financial Activities is in furtherance of the Trust's objectives.

In 2018/19 the academy trust invested GAG surpluses to further support the following academy projects:

- £25k to Burnside Academy to upgrade the boiler and heating system.
- £25k to Burnside Academy to upgrade the EYFS outdoor facilities for pupils.

Inspire Multi Academy Trust

Trustees' Report (continued)

During the period ending 31 August 2019 expenditure amounting to £6,989,690 was incurred or accrued. This was offset entirely by grants receivable from the Education and Skills Funding Agency (ESFA), Local Authority grants and other funds.

The trust have successfully secured Condition Improvement funding in the 2019/20 funding round of £154,311 to support roofing works at New Penshaw Academy.

Trustees have agreed to commit £3,957 GAG surpluses to support the 2019/20 roofing works. In June 2019, £33,279 was received in respect of the Devolved Formula Capital (DFC) grants. Prior to this in January 2019, £52,589 was received in respect of additional DFC funding.

In accordance with the charities SORP 2015, the DFC grants received are shown in the Statement of Financial Activities as restricted asset funds.

Pupil numbers have increased across the academy trust as a whole, supported by the availability of a full time nursery provision linked to the Government's 30-hour free childcare agenda. Academies continue their drive to promote the schools through targeted promotional campaigns and advertising opportunities.

Reserves Policy

Trustees review the level of trust reserves on a termly basis and have agreed that the academy trust should aim to hold a prudent level of reserves designed to provide:

- sufficient working capital to cover delays between spending and receipt of grants
- a contingency fund for any unexpected emergencies
- funding capacity for future estate maintenance and planned capital investment subject to conditions as set out by the ESFA
- funding to cover any future liabilities as outlined within the Financial Statements.

Trustees agree that expenditure of trust reserves is in line with the short and medium term Trust Improvement Plans that support academies in raising standards as described in our plans for the future defined within this report. Expenditure of reserves is reviewed by the Board of Trustees on a termly basis.

As of 31 August 2019 the level of trust reserves held in restricted funds not available for general purposes is £341,944 plus a balance of unrestricted general funds of £631,608 giving a net surplus of £973,551. The Board of Trustees have reviewed the reserve levels and believe that they should provide sufficient working capital to cover its aims and objectives.

Investment Policy

The academy trust's investment powers are governed by the Articles of Association, which permits the Charitable Company to deposit or invest any funds not immediately required for the furtherance of its objectives. Trustees agreed a policy for investment which would cover the running expenses of the largest academy as a contingency fund which ensures that extra funds are available on a regular, timely basis to deal with any unforeseen emergencies.

Trustees have agreed a principal to invest when all academies are in a stable financial position. When an investment is made and the funds come to maturity, trustees will then make the decision to re-invest or if the funds will be required for urgent necessities or contingencies. Trustees have an approved investment policy in place.

Inspire Multi Academy Trust

Trustees' Report (continued)

Principal Risks and Uncertainties

The academy trust is subject to a number of risks and uncertainties in common with other academies. The Board of Trustees recognise that the principal risks and uncertainties are centred on the changes in the levels of funding from the DfE / ESFA and also the Local Government Pension Scheme (LGPS) deficit which represents a significant liability. However, the trustees consider that the individual academies are able to meet their liabilities in respect of paying annual contributions for the foreseeable future, therefore the risk from this liability is minimised.

The academy trust has been undertaking a comprehensive assessment of possible risks to the future of the Trust and associated academies. The Board of Trustees have assessed the major risks, which the charitable company is exposed to, in particular those relating to the specific teaching, provision of facilities and other operational areas of the trust, and its finances.

Trustees met with external Risk and Assurance specialists to identify risks surrounding the trust achieving the objects, aims and priorities, ensuring systems are in place to assess, manage and mitigate identified risks. The Trust has compiled a Risk Register and Business Continuity Plan, which are monitored and reviewed throughout the year by trustees.

The system of Risk Management is monitored and reviewed on a termly basis by the Chief Executive Headteacher, Headteachers, Executive Bursar and Risk and Assurance specialists from the Local Authority who are well versed in Risk Management Procedures.

A key strategic risk is the challenge of maintaining academic performance against national expectations. The performance of each academy is rigorously monitored through termly reviews and challenge meetings and closely tracking pupil progress through assessment data tracking systems throughout the year to ensure positive outcomes.

In addition to this, another key area of risk to the trust is the potential of falling pupil roll. Pupil roll is monitored closely by academy Headteachers who are active in promoting links within the local press, community and businesses, collaborating and sharing initiatives across the Trust.

Trustees have ensured that 2018/19 budgets were effectively managed and met all of the school needs. Trustees have mitigated further risk through prudent budget planning and monitoring to ensure ongoing financial sustainability. Balanced budgets for 2019/20 were set, evidencing good financial planning.

Fundraising

Our academies conduct fundraising activities which support the generation of increased income and revenue to bolster school funds.

Our approach to fundraising activity would typically include the following practices:

- School Fayres (usually Easter, Summer and Christmas)
- School Raffles
- Tuck Shop
- Craft Sales
- Book Fairs
- Parent Coffee Mornings
- Community activities (usually Easter, Summer and Christmas)

All fundraising activity is administered via appropriate staff employed by each Academy and is overseen by the Headteacher. All fundraising activity includes full pupil collaboration to ensure pupil voice is part of the decision making process. All funding raised from activities support the furtherance of school and academy trust objectives and the outcomes of fundraising are reported to Parents and other relevant stakeholders.

Inspire Multi Academy Trust

Trustees' Report (continued)

Plans for Future Periods

Our primary focus for the trust in 2019/20 and beyond is to ensure our pupils make good or better progress and attain in line or exceeding national expectations at all Key Stages. All academies work very closely together as a family of schools, in their aim to becoming outstanding. We use appropriate expertise and support in cross academy improvements:

- raising the performance of Leadership and Management to outstanding across the trust
- roll out the full programme of both Forest and Coastal schools outdoor learning in 2019/20
- continue to improve the level of outstanding teaching across the Trust
- improve overall attendance to be in line with national average
- increase the number of pupils on roll at New Penshaw and Burnside Academies.

Our longer term plans for further improvement to the Trust estate are to include:

- further phased renovation at Plains Farm Academy including upgraded lighting, replacement of ceilings, replacement of carpets and decoration
- adaption of the reception area at Plains Farm Academy to maximise the accessibility of the premises
- further phased roofing replacement at Farringdon academy
- further investment in communication and IT systems and security, hardware, software and infrastructure to satisfy future business and curriculum needs
- provision of a dedicated training centre at the Farringdon Head Office to provide a training venue for the benefit of the wider academy trust and for commercial use.

Additional investment will also be sought through bids, for example the Strategic School Improvement Fund, Condition Improvement Fund or charitable grants to support the furtherance of trust objectives.

Auditor

Insofar as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware;
- 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 10 December 2019 and signed on the board's behalf by:



S Ruffell
Chair of Trustees
Date:

Inspire Multi Academy Trust

Governance Statement

Scope of Responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Headteacher, as Accounting Officer, working in conjunction with the Executive Bursar, as Chief Financial Officer, 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 Inspire Multi Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees and its committees has formally met on six occasions during the year.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
A McCully	7	7
A Parr	3	3
C Graham	1	3
E Scribbins	6	7
H Brown	7	7
J West	7	7
K Gilligan	1	3
M Byers	6	7
S Ruffell (Chairman)	6	7
T Pizl	7	7

Governance Review

Following a skills audit in the previous year, members and trustees have engaged Academy Ambassadors to support recruitment to vacant positions; this included two trustee vacancies and one member vacancy. The trustee vacancies were filled successfully but no appointment was made to the member vacancy and therefore the post will be re-advertised in September 2019.

Members are independent of the Board of Trustees (with the exception of the Chair of Trustees) and this enables them to hold trustees to account for the operation of our academies. There are currently four Members in place, who have a breadth of experience across the private, public, community and education sectors.

The Board of Trustees take on focused, lead roles in line with the Governance Competency Framework from the DfE. The board deploy a business board approach, with expertise across HR, Finance, Education Leadership, Facilities Management and Health and Safety.

Throughout 2018/19, the senior leadership team have implemented a programme of training and development for trustees and local governors. As a result, they are now better equipped to support the Leadership Teams at school and trust level, offering highly effective challenge and are able to interpret school data, holding leaders to account for the performance, progress and attainment across each school.

Trustees will work with the Chief Executive Headteacher during September 2019 in the production of the Trust Improvement Plan for 2019/20.

Inspire Multi Academy Trust

Governance Statement (continued)

Sub-committees of the main Board of Trustees

Finance, Audit and Staffing Committee

The Finance, Audit and Staffing Committee is a sub-committee of the main Board of Trustees. The aims and objectives of the committee, as outlined in the approved Scheme of Delegation and Terms of Reference, are to assist the decision making of trustees in consultation with the Chief Executive Headteacher, Executive Bursar and Headteachers to ensure sound management of academy finances, staffing and resources. This will include budget planning, budget monitoring and probity and to act as a critical friend providing strategic direction to offer support and challenge ensuring that all schools operate within Financial Regulations.

In relation to their audit function, the aims and objectives of the committee, as outlined in the approved Scheme of Delegation and Terms of Reference, is to advise trustees on the adequacy and effectiveness of the trust's system of internal control. This includes arrangements for risk management, control and governance processes and securing economic efficiency and effectiveness (value for money).

It has been agreed that the committee will meet to:

- review trust internal audit reports following termly audits of internal controls and governance arrangements
- meet with Baldwins Audit Services, the external auditor.

Attendance during the year at meetings was as follows:

Trustees	Meetings attended	Out of a possible
A McCully	3	3
C Graham	1	1
H Brown	3	3
J West	3	3
M Byers	3	3
S Ruffell	2	3

Personnel and Staff Performance Management Committee

The Personnel and Staff Performance Management Committee is a sub-committee of the main Board of Trustees. The aims and objectives of the committee, as outlined in the approved Scheme of Delegation and Terms of Reference, in consultation with the Chief Executive Headteacher and Academy Headteachers is to keep under review and advise the Board of Trustees on:

- staffing structures
- making recommendations on personnel related expenditure
- overseeing the appointment and reduction of staff
- the administration of salary and performance management policy
- salary issues, salary progression as well as considering appeals on pay grades or pay awards
- working conditions - monitoring work / life balance, well-being and staff absence.

Attendance during the year at meetings was as follows:

Trustees	Meetings attended	Out of a possible
E Scribbins	1	1
H Brown	5	5
M Byers	4	5
S Ruffell	5	5

Inspire Multi Academy Trust

Governance Statement (continued)

Review of Value for Money

As accounting officer, the Chief Executive Headteacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

- effective school development and financial planning
- continuous self-evaluation, reviewing the impact of CPD
- improving the quality of school leadership and governance through CPD and succession planning, drawing on the talents of our team
- effective use of financial benchmarking across the trust
- increased attainment and pupil progress through accurate data tracking
- increased skill base of trustees and governors
- increasing awareness across the trust of achieving Best Value and economies of scale
- rigorous performance management, which is monitored and reviewed throughout the year.

Examples of how value for money is being achieved are detailed below.

As a result of economy of scales achieved through the renegotiation of service level agreements on an annual basis the academy trust realised savings in the following areas:

- facilities management and grounds maintenance
- supply cover
- absence insurance
- human resources
- IT software, hardware and support

Other ways in which the Trust is successful in achieving efficiencies:

- training and sharing staff across the trust in particular areas of expertise, for example administration or repairs and maintenance of premises
- best value exercise carried out for annual training event securing significant savings
- tender exercise completed for roofing works and internal decoration and repairs following roofing works
- benchmarking exercise carried out across the trust in respect to energy usage
- School Business Managers meet regularly to share best practice and areas where economies of scale can be utilised to drive down costs i.e. stationery procurement, and continually challenge all financial transactions ensuring that they are in line with Trust objectives and for the benefit of the children
- printing software installed on all computer devices to increase efficiencies in multi-function device printing and scanning costs and facility to monitor copy costs
- strategic plan across the Trust to install low energy light fittings, which will ensure long-term energy savings
- promoting an ethos of 'reuse, recycle and repair' attitude across the Trust
- sharing of resources
- being proactive in applying for and securing grant income to support the furtherance of the trust objectives whilst also delivering efficiencies, for example energy efficiencies linked to roofing insulation within roofing works.

Inspire Multi Academy Trust

Governance Statement (continued)

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Inspire Multi Academy Trust for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees and senior leadership team, in conjunction with trained Local Authority personnel, have reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

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

- the scheme of delegation is set and agreed by trustees and reviewed at least annually
- trustees receive financial management reports on a monthly basis
- comprehensive budgeting and monitoring systems with an annual budget and termly financial reports, which are reviewed and agreed by the Board of Trustees
- termly internal audit reviews by the commissioned provider
- half termly internal financial reviews are undertaken in each academy
- regular reviews by the Finance, Audit and Staffing 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
- Trust Arrears Policy to provide each Academy with a process in respect of debt recovery

The Board of Trustees has considered the need for a specific internal audit function and has decided:

- to appoint Sunderland City Council Internal Audit personnel to carry out the Internal Audit Role.

The Internal Audit role includes giving advice on financial matters and performing a range of checks on the Trust'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 account/bank reconciliations

Internal Audit will carry out checks on a termly basis and will provide a report for the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

Inspire Multi Academy Trust

Governance Statement (continued)

All academies were subject to termly internal audits, which included governance arrangements, financial controls and systems. The objective of the audits was to provide assurance on whether the trust's governance and financial management arrangements are robust and operate effectively to safeguard public funds. The audit report and any recommendations are reported to the Chief Financial Officer and Accounting Officer and reported to the Finance, Audit and Staffing Committee on a termly basis.

The findings of the audit as at spring 2019 and summer 2019 gave substantial assurance that the Academy Trust has effective governance and financial management arrangements in place. Furthermore, the controls evaluated were judged to be well designed, appropriate in scope and applied consistently and effectively. No issues were identified which could prevent the objectives of the Trust being achieved.

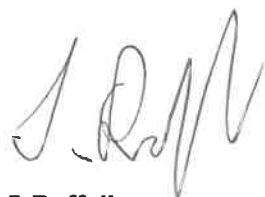
Review of Effectiveness

As accounting officer, Mrs J West 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 internal auditor
- the work of the external auditor
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 10 December 2019 and signed on its behalf by:



S Ruffell

Chair of Trustees



J West

Accounting Officer

Inspire Multi Academy Trust

Statement on Regularity, Propriety and Compliance

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

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

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



J West

Accounting Officer

Inspire Multi Academy Trust

Statement of Trustees' Responsibilities

The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education 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 judgments and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 10 December 2019 and signed on its behalf by:



Mr S Ruffell

Chair of Trustees

Inspire Multi Academy Trust

Independent Auditor's Report on the Financial Statements to the Board of Trustees of Inspire Multi Academy Trust

FOR THE YEAR ENDED 31 AUGUST 2019

Opinion

We have audited the accounts of Inspire Multi Academy Trust for the year ended 31 August 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Inspire Multi Academy Trust

Independent Auditor's Report on the Financial Statements to the Board of Trustees of Inspire Multi Academy Trust (continued)

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the accounts

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

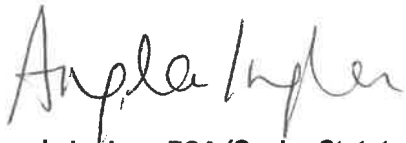
A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Inspire Multi Academy Trust

Independent Auditor's Report on the Financial Statements to the Board of Trustees of Inspire Multi Academy Trust (continued)

Use of our report

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



Angela Ingham FCA (Senior Statutory Auditor)
for and on behalf of Baldwins Audit Services

10/12/19

Statutory Auditor

Wynyard Park House
Wynyard Avenue
Wynyard
TS22 5TB

Inspire Multi Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to Inspire Multi Academy Trust and the Education and Skills Funding Agency

FOR THE YEAR ENDED 31 AUGUST 2019

In accordance with the terms of our engagement letter dated 26 September 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Inspire Multi Academy Trust during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Inspire Multi Academy Trust's funding agreement with the Secretary of State for Education dated 1 April 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 or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

Inspire Multi Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to Inspire Multi Academy Trust and the Education and Skills Funding Agency (continued)

The work undertaken to draw to our conclusion includes:

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

Conclusion

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

Baldwins Audit Services

Reporting Accountant
Baldwins Audit Services

Dated: 10/12/19

Inspire Multi Academy Trust

Statement of Financial Activities for the Year Ended 31 August 2019 (including Income and Expenditure Account)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2018/19 £000	Total 2017/18 £000
Income and endowments from:						
Donations and capital grants	2	20	14	241	275	582
Charitable activities:						
Funding for educational operations	3	80	6,208	-	6,288	6,194
Other trading activities	4	157	20	-	177	188
Investments	5	1	-	-	1	1
Total		258	6,242	241	6,741	6,965
Expenditure on:						
Raising funds	6	68	9	-	77	61
Charitable activities:						
Educational operations	7	135	6,521	257	6,913	6,585
Total		203	6,530	257	6,990	6,646
Net income / (expenditure)		55	(288)	(16)	(249)	319
Transfer between funds	18	-	(138)	138	-	-
Other recognised gains / (losses):						
Actuarial (losses) / gains on defined benefit pension schemes	18,27	-	(905)	-	(905)	535
Net movement in funds		55	(1,331)	122	(1,154)	854
Reconciliation of funds						
Total funds brought forward		577	(698)	9,321	9,200	8,346
Total funds carried forward		632	(2,029)	9,443	8,046	9,200

Inspire Multi Academy Trust

Balance Sheet as at 31 August 2019

Company Number 08287012

	Notes	2019 £000	2019 £000	2018 £000	2018 £000
Fixed Assets					
Intangible assets	12		11		1
Tangible assets	13		9,295		8,769
Current Assets					
Stock	14	1		2	
Debtors	15	338		479	
Cash at bank and in hand		1,727		2,014	
		<u>2,066</u>		<u>2,495</u>	
Liabilities					
Creditors: Amounts falling due within one year	16	(955)		(984)	
Net current assets			<u>1,111</u>		<u>1,511</u>
Total assets less current liabilities			<u>10,417</u>		<u>10,281</u>
Creditors: Amounts falling due after more than one year	17		-		(6)
Net assets excluding pension liability			<u>10,417</u>		<u>10,275</u>
Defined benefit pension scheme liability	27		(2,371)		(1,075)
Total net assets			<u>8,046</u>		<u>9,200</u>
Funds of the academy trust:					
Restricted funds					
- Fixed asset fund	18	9,443		9,321	
- Restricted income fund	18	342		377	
- Pension reserve	18	(2,371)		(1,075)	
Total restricted funds			<u>7,414</u>		<u>8,623</u>
Unrestricted income funds	18		<u>632</u>		<u>577</u>
Total funds			<u>8,046</u>		<u>9,200</u>

The financial statements on pages 26 to 47 were approved by the trustees and authorised for issue on 10 December 2019 and are signed on their behalf by:



Mr S Ruffell

Chair of Trustees

Inspire Multi Academy Trust

Statement of Cash Flows for the Year Ended 31 August 2019

	Notes	2019 £000	2018 £000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	22	304	262
Cash flows from investing activities	24	(591)	(43)
Cash flows from financing activities	23	-	-
Change in cash and cash equivalents in the reporting period		<u>(287)</u>	<u>219</u>
Cash and cash equivalents at 1 September 2018		2,014	1,795
Cash and cash equivalents at 31 August 2019	25	<u>1,727</u>	<u>2,014</u>

Inspire Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

1. Statement of 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 Inspire Multi 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 the 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.

Inspire Multi Academy Trust 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.

- **Sponsorship Income**

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

- **Donations**

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

Inspire Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1. Statement of Accounting Policies (continued)

- **Other Income**
Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.
- **Donated goods, facilities and services**
Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.
- **Donated fixed assets**
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.

Intangible Fixed Assets

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Software licences – over the useful life of the individual licence.

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.

Inspire Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1. Statement of Accounting Policies (continued)

Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet.

Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

• Land	Not depreciated
• Freehold buildings	50 years
• Long leasehold buildings	50 years
• Fixtures, fittings and equipment	10 years
• ICT equipment	4 years

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.

The trust's land and buildings are occupied on a 125 year lease from the local authority. In the view of the trustees, the risks and rewards of occupying the site have been substantially transferred to the trust and therefore the land and buildings have been recognised as a donation on conversion and capitalised within the restricted fixed assets fund. The basis of valuation has been disclosed within the fixed assets note.

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.

The land and building valuations for the two schools which joined the trust on 1 July 2016 have been included at a lower value than that recognised by the Local Authority; this is based on the significant reduced value the ESFA allocated to Plains Farm and New Penshaw when they joined the trust. It was deemed prudent to reduce the Local Authority valuation to an amount that would appear more in line with the ESFA. This will be reviewed when the ESFA valuation is received.

Liabilities

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

Provisions

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

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

Lease Assets

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

Inspire Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1. Statement of Accounting Policies (continued)

Investments

None held.

Financial Instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held as face value less any impairment.

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

Financial liabilities – trade creditor, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 16 and 17. 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. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Stock

Stationery stocks are valued at the lower of cost or net realisable value.

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.

Inspire Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1. Statement of Accounting Policies (continued)

The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

Fund Accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Skills and Funding Agency / Department for Education / sponsor / other funders where the asset acquired or created is held for a specific purpose.

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

McCloud

In 2015 the government introduced reforms to public sector pensions resulting in most public sector workers being transferred to a new scheme. In December 2018, the Court of Appeal ruled that the 'transitional protections' offered to some members of the judges and firefighter schemes as part of the reforms amounted to unlawful discrimination. While the judgement was not in relation to the LGPS it is reasonable to expect that it will need to be applied to this scheme by the government. Actuaries have estimated that the additional liabilities associated with this to be around 3-4% of active liabilities. As this has been considered to be potentially material to the financial statements the year end valuation performed by the actuary has included an approximate calculation of the McCloud valuation. This has increased the LGPS liability by £191,000 as at 31 August 2019.

Guaranteed Minimum Pension (GMP)

GMP This case related to the equalisation for men and women of guaranteed minimum pension (GMP) for those who were contracted out of the State Second Pension between 6 April 1978 and 6 April 1997. In October 2018 the High Court ruled that equalisation of GMP was required. This case was in relation to Lloyds Bank and HM Treasury have since gone on record to state public sector schemes have a method to equalise GMP already. Although there is some judgement in how this equalisation works and is reflected in the LGPS valuations, actuaries have estimated that the impact of GMP indexation to be around 0.3% of total liabilities and they have included an approximate calculation of the GMP valuation. This has increased the LGPS liability by £7,000 as at 31 August 2019.

Inspire Multi Academy Trust
Notes to the Financial Statements for the Year Ended 31 August 2019
(continued)

2 Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2018/19 £000	Total 2017/18 £000
Capital grants	-	241	241	548
Other donations	20	14	34	34
	<u>20</u>	<u>255</u>	<u>275</u>	<u>582</u>
2018 Total	<u>22</u>	<u>560</u>	<u>582</u>	

3 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2018/19 £000	Total 2017/18 £000
DfE / ESFA revenue grants				
- General Annual Grant (GAG)	-	4,696	4,696	4,723
- Other DfE Group grants	-	861	861	816
-	-	5,557	5,557	5,539
	<u>-</u>	<u>5,557</u>	<u>5,557</u>	<u>5,539</u>
Other Government Grants				
Local Authority Grants	-	581	581	488
Other Government Grants	-	1	1	-
	<u>-</u>	<u>582</u>	<u>582</u>	<u>488</u>
Other income from the academy trust's educational operations	80	69	149	167
	<u>80</u>	<u>6,208</u>	<u>6,288</u>	<u>6,194</u>
2018 Total	<u>77</u>	<u>6,117</u>	<u>6,194</u>	

4 Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2018/19 £000	Total 2017/18 £000
Hire of facilities	20	-	20	16
Catering income	3	-	3	4
Other income	134	20	154	168
	<u>157</u>	<u>20</u>	<u>177</u>	<u>188</u>
2018 Total	<u>175</u>	<u>13</u>	<u>188</u>	

5 Investment income

	Unrestricted Funds £000	Restricted Funds £000	Total 2018/19 £000	Total 2017/18 £000
Short term deposits	1	-	1	1
	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>
2018 Total	<u>1</u>	<u>-</u>	<u>1</u>	

Inspire Multi Academy Trust
Notes to the Financial Statements for the Year Ended 31 August 2019
(continued)

6 Expenditure

	Staff Costs £000	Non Pay Expenditure		Total 2018/19 £000	Total 2017/18 £000
		Premises £000	Other £000		
Expenditure on raising funds					
- Allocated support costs	45	-	32	77	61
Academy's educational operations:					
- Direct costs	3,892	-	691	4,583	4,476
- Allocated support costs	1,292	366	672	2,330	2,109
	<u>5,229</u>	<u>366</u>	<u>1,395</u>	<u>6,990</u>	<u>6,646</u>
2018 Total	<u>4,969</u>	<u>358</u>	<u>1,319</u>	<u>6,646</u>	

Net income / (expenditure) for the period includes:

	2018/19 £000	2017/18 £000
Operating leases rentals	14	15
Depreciation	255	232
Amortisation of intangible fixed assets (included within Charitable Activities – Academy trust educational operations)	2	1
Fees payable to auditor for:		
- Audit	14	14
	<u>285</u>	<u>262</u>

There are no individual transactions exceeding £5,000 included in resources expended in relation to ex-gratia / compensation payments, gifts made by the trust, fixed asset losses, stock losses, unrecoverable debts and cash losses.

7 Charitable Activities

	Total 2018/19 £000	Total 2017/18 £000
Direct costs – educational operations	4,583	4,476
Support costs – educational operations	2,330	2,109
	<u>6,913</u>	<u>6,585</u>
Analysis of support costs		
Support staff costs	1,292	1,132
Depreciation	10	10
Technology costs	34	33
Premises costs	366	358
Other support costs	531	497
Governance costs	97	79
Total support costs	<u>2,330</u>	<u>2,109</u>

Inspire Multi Academy Trust
Notes to the Financial Statements for the Year Ended 31 August 2019
(continued)

8 Staff

a. Staff costs

Staff costs during the period were:

	2018/19	2017/18
	£000	£000
Wages and salaries	3,797	3,719
Social security costs	338	324
Pension costs	936	754
Apprenticeship Levy	4	3
	5,075	4,800
Agency staff costs	112	118
Staff restructuring costs	15	19
	5,202	4,937
Staff restructuring costs comprise:		
Severance payments	15	19
	15	19

b. Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory / non contractual severance payments totalling £15,054 (2018: £18,933). Individually these payments were for £6,679, £6,182 (both non-contractual) and £2,193 (contractual).

c. Staff numbers

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

	2018/19	2017/18
	No.	No.
Teachers	49	55
Administration and support	134	143
Management	10	8
	193	206

d. Higher paid staff

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

	2018/19	2017/18
	No.	No.
In the band £60,001 - £70,000	2	2
In the band £70,001 - £80,000	1	1
In the band £80,001 - £90,000	1	1
In the band £110,001 - £120,000	-	1
In the band £120,001 - £130,000	1	-

The above employees participated in either the Teachers' Pension Scheme or Local Government Pension Scheme (LGPS).

Inspire Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

e. 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 £359,219 (2018: £339,759).

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:

Mrs J West (Chief Executive Headteacher and trustee):

Remuneration	£125,000 - £130,000 (2018: £115,000 - £120,000)
Employer's pension contributions paid	£20,000 - £25,000 (2018: £15,000 - £20,000)

Miss A McCully (Executive Bursar and trustee):

Remuneration	£65,000 - £70,000 (2018: £60,000 - £65,000)
Employer's pension contributions paid	£10,000 - £15,000 (2018: £10,000 - £15,000)

Mrs T Pizl (Lead Headteacher and trustee):

Remuneration	£85,000 - £90,000 (2018: £80,000 - £85,000)
Employer's pension contributions paid	£10,000 - £15,000 (2018: £10,000 - £15,000)

During the period ended 31 August 2019, no travel and subsistence expenses were reimbursed or paid directly to trustees (2018: £0).

Other related party transactions involving the trustees are set out in note 28.

10 Central Services

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

- Educational Support Services
- Financial Support Services
- HR Support Services
- Governance Support Services
- Estate Management Support
- IT Support

Historically the Trust central contribution rate is calculated at 5% to 6%. Trustees agreed that contributions to central services would be based on a model of £60k for a one-form entry primary and £120k for a two-form entry primary school from each Academy's General Annual Grant.

Farrington, New Penshaw, Plains Farm, Fatfield and Burnside Academies have all made full financial contributions this academic year based on the above model towards the central services for this accounting period.

Inspire Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

(continued)

The actual amounts charged during the year were as follows:

	2018/19 £000
Farringdon Academy	120
New Penshaw Academy	60
Plains Farm Academy	60
Fatfield Academy	60
Burnside Academy	60
	<u>360</u>

11 Trustees' and Officers' Insurance

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

12 Intangible Fixed Assets

	Licences £000	Total 2018/19 £000
Cost		
At 1 September 2018	3	3
Additions	12	12
At 31 August 2019	<u>15</u>	<u>15</u>
Amortisation		
At 1 September 2018	2	2
Charged in year	2	2
At 31 August 2019	<u>4</u>	<u>4</u>
Carrying Amount		
At 31 August 2018	1	1
At 31 August 2019	<u>11</u>	<u>11</u>

Inspire Multi Academy Trust
Notes to the Financial Statements for the Year Ended 31 August 2019
(continued)

13 Tangible Fixed Assets

2018/19

	Leasehold Land and Buildings	Leasehold Improvements	Furniture and Equipment	Computer Equipment	Assets Under Construction	Total
	£000	£000	£000	£000	£000	£000
Cost						
At 1 September 2018	7,536	1,466	211	335	100	9,648
Additions	-	570	104	107	-	781
Transfers	-	100	-	-	(100)	-
At 31 August 2019	7,536	2,136	315	442	-	10,429
Depreciation						
At 1 September 2018	569	24	43	243	-	879
Charged in year	143	30	27	55	-	255
At 31 August 2019	712	54	70	298	-	1,134
Net book values						
At 31 August 2018	6,967	1,442	168	92	100	8,769
At 31 August 2019	6,824	2,082	245	144	-	9,295

14 Stock

	2019 £000	2018 £000
Stationery	1	2
	<u>1</u>	<u>2</u>

15 Debtors

	2019 £000	2018 £000
Trade debtors	8	9
VAT recoverable	121	91
Other debtors	3	2
Prepayments and accrued income	206	377
	<u>338</u>	<u>479</u>

16 Creditors: amounts falling due within one year

	2019 £000	2018 £000
Trade creditors	12	3
Other taxation and social security	171	172
Other Creditors	516	533
Accruals and deferred income	256	276
	<u>955</u>	<u>984</u>

Deferred income

	2019 £000	2018 £000
Deferred Income at 1 September 2018	81	72
Resources deferred in the year	68	81
Amounts released from previous years	(81)	(72)
Deferred Income at 31 August 2019	<u>68</u>	<u>81</u>

At the balance sheet date the multi academy trust was holding funds received in advance - Academy Infant free School Meals £59,781 and rates relief £8,379.

Inspire Multi Academy Trust
Notes to the Financial Statements for the Year Ended 31 August 2019
(continued)

17 Creditors: amounts falling due in greater than one year

	2019 £000	2018 £000
Other creditors	-	6
	-	6

18 Funds

	Balance at 1 September 2018	Income	Expenditure	Gains, Losses and Transfers	Balance at 31 August 2019
	£000	£000	£000	£000	£000
Restricted general funds					
General Annual Grant (GAG)	195	4,696	(4,496)	(128)	267
Pupil Premium	-	616	(616)	-	-
Other grants	128	827	(923)	(10)	22
Other income	54	103	(104)	-	53
Pension reserve	(1,075)	-	(391)	(905)	(2,371)
	(698)	6,242	(6,530)	(1,043)	(2,029)
Restricted fixed asset funds					
Transfer on conversion	7,028	-	(150)	-	6,878
DfE Group capital grants	1,591	241	(31)	-	1,801
Other Capital Grants	12	-	(2)	-	10
Capital expenditure from GAG	304	-	(55)	128	377
Other Income	386	-	(19)	10	377
	9,321	241	(257)	138	9,443
Total restricted funds	8,623	6,483	(6,787)	(905)	7,414
Total unrestricted funds	577	258	(203)	-	632
Total funds	9,200	6,741	(6,990)	(905)	8,046

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

General Annual Grant must be used for the normal running costs of the Academy.

Pupil Premium, other grants and other income which includes PE Grant, Special Needs and Early Years Funding with the income being restricted to the terms of each funding stream.

The gross transfer from the restricted general to the restricted fixed asset fund of £137,883 represents the capital expenditure from the GAG and other grants during the period.

Capital Grant has been received for capital and related expenditure. Depreciation has been charged against assets within the Restricted Fixed Asset Fund. The transfer from Local Authority reflects fixed assets transferred on conversion along with surpluses on capital and revenue budgets at conversion.

Capital funding from the Condition Improvement Fund had been received for flat roof replacements to two academies. All works are now 100% complete.

The academy's restricted general and unrestricted funds total £974k at 31 August 2019.

Inspire Multi Academy Trust
Notes to the Financial Statements for the Year Ended 31 August 2019
(continued)

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019 £000	2018 £000
Farringdon Academy	298	297
New Penshaw Academy	332	332
Plains Farm Academy	294	294
Burnside Academy	18	18
Fatfield Academy	31	12
Inspire Central Costs (excluding FRS102 pension transactions)	1	1
Total before fixed assets and pension reserve	<u>974</u>	<u>954</u>
Restricted fixed asset fund	9,443	9,321
Pension reserve	<u>(2,371)</u>	<u>(1,075)</u>
Total	8,046	9,200

Burnside and Fatfield Maintained Schools joined Inspire Trust on 1st July 2016. At the time of transfer both academies had deficit balances. Repayment arrangements are continuing with the ESFA.

Total cost analysis by academy

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

	Teaching and Educational Support Staff Costs £000	Other Support Staff Costs £000	Educational Supplies £000	Other Costs (excluding Depreciation) £000	2018/19 Total £000	2017/18 Total £000
Farringdon Academy	1,257	233	79	350	1,919	1,892
New Penshaw Academy	654	120	43	215	1,032	924
Plains Farm Academy	652	171	57	213	1,093	1,120
Burnside Academy	573	112	37	191	913	895
Fatfield Academy	608	111	50	249	1,018	1,049
Inspire central costs (includes FRS102 pension transactions)	147	565	2	45	759	533
Academy Trust	3,891	1,312	268	1,263	6,734	6,413

Inspire Multi Academy Trust
Notes to the Financial Statements for the Year Ended 31 August 2019
(continued)

Comparative information in respect of the preceding period (to 31 August 2018) is as follows:

	Balance at 1 September 2017	Income	Expenditure	Gains, Losses and Transfers	Balance at 31 August 2018
	£000	£000	£000	£000	£000
Restricted general funds					
General Annual Grant (GAG)	128	4,723	(4,606)	(50)	195
Pupil Premium	-	608	(608)	-	-
Other grants	114	696	(682)	-	128
Other income	54	113	(113)	-	54
Pension reserve	(1,388)	-	(222)	535	(1,075)
	<u>(1,092)</u>	<u>6,140</u>	<u>(6,231)</u>	<u>485</u>	<u>(698)</u>
Restricted fixed asset funds					
Transfer on conversion	7,179	-	(151)	-	7,028
DfE Group capital grants	1,052	548	(9)	-	1,591
Other Capital Grants	13	-	(1)	-	12
Capital expenditure from GAG	307	-	(53)	50	304
Other Income	389	2	(19)	14	386
	<u>8,940</u>	<u>550</u>	<u>(233)</u>	<u>64</u>	<u>9,321</u>
Total restricted funds	7,848	6,690	(6,464)	549	8,623
Total unrestricted funds	498	275	(182)	(14)	577
Total funds	8,346	6,965	(6,646)	535	9,200

19 Analysis of net assets between funds

Fund balances at 31 August 2019 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Intangible fixed assets	-	-	11	11
Tangible fixed assets	-	-	9,295	9,295
Current assets	635	1,162	269	2,066
Current liabilities	(3)	(820)	(132)	(955)
Pension scheme liability	-	(2,371)	-	(2,371)
Total net assets	632	(2,029)	9,443	8,046

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Notes to the Financial Statements for the Year Ended 31 August 2019
(continued)

Comparative information in respect of the preceding period (at 31 August 2018) is as follows:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Intangible fixed assets	-	-	1	1
Tangible fixed assets	-	-	8,769	8,769
Current assets	585	1,220	690	2,495
Current liabilities	(8)	(837)	(139)	(984)
Non-current liabilities	-	(6)	-	(6)
Pension scheme liability	-	(1,075)	-	(1,075)
Total net assets	577	(698)	9,321	9,200

20 Capital Commitments

	2019 £000	2018 £000
Contracted for, but not provided in the financial statements	-	421
	-	421

21 Operating Leases

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

	2019 £000	2018 £000
Amounts due within one year	13	13
Amounts due between one and five years	17	23
	30	36

22 Reconciliation of Net Income/(expenditure) to net cash flow from operating activities

	2018/19 £000	2017/18 £000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(249)	319
Adjusted for:		
Amortisation (note 12)	2	1
Depreciation (note 13)	255	232
Capital grants from DfE and other capital income	(241)	(550)
Interest receivable (note 5)	(1)	(1)
Defined benefit pension scheme cost less contributions payable (note 27)	364	190
Defined benefit pension scheme finance cost (note 27)	27	32
(Increase)/decrease in stocks	1	3
(Increase)/decrease in debtors	141	70
Increase/(decrease) in creditors	5	(34)
Net cash provided by / (used in) Operating Activities	304	262

Inspire Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

23 Cash flows from financing activities

	2018/19 £000	2017/18 £000
Repayments of borrowing	-	-
Cash inflows from new borrowing	-	-
Net cash provided by / (used in) financing activities	-	-

24 Cash flows from investing activities

	2018/19 £000	2017/18 £000
Dividends, interest and rents from investments	1	1
Purchase of intangible fixed assets	(12)	-
Purchase of tangible fixed assets	(821)	(594)
Capital grants from DfE Group	241	548
Capital funding received from sponsors and others	-	2
Net cash provided by / (used in) investing activities	(591)	(43)

25 Analysis of cash and cash equivalents

	2019 £000	2018 £000
Cash in hand and at bank	1,727	2,014
Notice deposits (less than 3 months)	-	-
Total cash and cash equivalents	1,727	2,014

26 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.

27 Pension and Similar Obligations

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

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

Contributions amounting to £70,190 were payable to the schemes at 31 August 2019 (2018: £72,229) and are included within creditors.

Teachers' Pension Scheme

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

Inspire Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

(continued)

The Teachers' Pension Budgeting and Valuation Account

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

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

Valuation of the Teachers' Pension Scheme

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

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

Scheme Changes

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

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

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

The employer's pension costs paid to TPS in the period amounted to £352,803 (2018: £347,937).

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 period ended 31 August 2019 was £300,394 (2018: £297,691), of which employer's contributions totalled £218,693 (2018: £216,300) and employees' contributions totalled £81,701 (2018: £81,391). The agreed contribution rates for future years is 16.4% for employers and 5.5% - 12.5% for employees.

Inspire Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

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

Principal Actuarial Assumptions (% per annum)

	2019	2018
Rate of increase in salaries	3.5%	3.5%
Rate of increase for pensions in payment/inflation	2.0%	2.0%
Discount rate for scheme liabilities	1.9%	2.8%
Inflation assumption (CPI)	2.0%	2.0%
Commutation of pensions to lump sums	75.0%	75.0%

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

	2019	2018
<i>Retiring today</i>		
Males	21.9	22.9
Females	25.1	26.4
<i>Retiring in 20 years</i>		
Males	23.6	25.1
Females	26.9	28.7

Sensitivity analysis

	2019 £000	2018 £000
Discount rate +0.1%	7,335	5,384
Discount rate -0.1%	7,726	5,671
Mortality assumption – 1 year increase	7,280	5,370
Mortality assumption – 1 year decrease	7,779	5,682
CPI rate +0.1%	7,613	5,589
CPI rate -0.1%	7,444	5,464

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

	2019 £000	2018 £000
Equities	3,347	3,004
Corporate bonds	598	499
Property	459	378
Government bonds	222	178
Cash	93	98
Other	438	294
Total market value of assets	5,157	4,451

The actual return on scheme assets was £442,000 (2018: £337,000).

Amount recognised in the Statement of Financial Activities

	2018/19 £000	2017/18 £000
Current service cost	(386)	(408)
Past service cost	(198)	-
Interest income	128	100
Interest cost	(155)	(132)
Total amount recognised in the SOFA	(611)	(440)

Inspire Multi Academy Trust
Notes to the Financial Statements for the Year Ended 31 August 2019
(continued)

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

	2018/19 £000	2017/18 £000
At 1 September	5,526	5,238
Current service cost	386	408
Interest cost	155	132
Employee contributions	82	82
Actuarial (gain) / loss	1,219	(298)
Benefits paid	(38)	(36)
Past Service Cost	198	-
At 31 August	7,528	5,526

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

	2018/19 £000	2017/18 £000
At 1 September	4,451	3,850
Interest income	128	100
Actuarial gain/(loss)	314	237
Employer contributions	220	218
Employee contributions	82	82
Benefits paid	(38)	(36)
At 31 August	5,157	4,451

28 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 trustee has an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH 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 in the financial period.

Expenditure Related Party Transaction

Miss M Brown (Chastney), daughter of Mr H Brown (a trustee), is employed by New Penshaw Academy as a Teaching Assistant. Miss M Brown was appointed in open competition through a competitive interview process by a recruitment panel from 1 September 2016. Miss M Brown is paid in line with the standard national pay scale for teaching assistants, received no special treatment as a result of her relationship to a trustee and reports directly to the Headteacher, Mrs S Johnson. Mr Brown was not involved in the decision-making process regarding the appointment.

Mr K Byers, brother of Miss M Byers (a trustee), is employed by Plains Farm Academy as a Site Manager. Mr Byers was appointed in open competition through a competitive interview process by a recruitment panel. Mr K Byers is paid in line with the standard national pay scale for Site Staff, received no special treatment as a result of his relationship to a trustee and reports directly to the Headteacher, Miss L Cassidy. Miss Byers was not involved in the decision-making process regarding the appointment.