



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

**Annual Report and Financial Statements**

**Year ended 31 August 2018**

Company Registration Number:  
08287012 (England and Wales)

# Inspire Multi Academy Trust

## Contents

<b>Item</b>	<b>Page</b>
Reference and Administrative Details	1
Trustees' Report	2
Governance Statement	14
Statement on Regularity, Propriety and Compliance	19
Statement of Trustees' Responsibilities	20
Independent Auditor's Report on the Financial Statements	21
Independent Reporting Accountant's Report on Regularity	24
Statement of Financial Activities incorporating Income and Expenditure Account	26
Balance Sheet	27
Statement of Cash Flows	28
Notes to the Financial Statements, incorporating:	
Statement of Accounting Policies	29
Other Notes to the Financial Statements	34

# Inspire Multi Academy Trust

## Reference and Administrative Details

<b>Members</b>	J Chadd M Foster R Storey S Ruffell (from 1 <sup>st</sup> September 2017)						
<b>Trustees</b>	A McCully (Staff Trustee, Executive Bursar, Chief Financial Officer) E Scribbins (from 8 <sup>th</sup> December 2017) H Brown J West (Chief Executive Headteacher and Accounting Officer) K Gilligan M Byers (from 8 <sup>th</sup> December 2017) S Porthouse (Until 14 <sup>th</sup> March 2018) S Ruffell (Chair) T Pizl (Staff Trustee from 1 <sup>st</sup> September 2017)						
<b>Company Secretary</b>	S Allan						
<b>Senior Management Team</b>	<table> <tr> <td>Chief Executive Headteacher</td> <td>J West</td> </tr> <tr> <td>Executive Bursar</td> <td>A McCully</td> </tr> <tr> <td>Lead Headteacher</td> <td>T Pizl</td> </tr> </table>	Chief Executive Headteacher	J West	Executive Bursar	A McCully	Lead Headteacher	T Pizl
Chief Executive Headteacher	J West						
Executive Bursar	A McCully						
Lead Headteacher	T Pizl						
<b>Company Name</b>	Inspire Multi Academy Trust						
<b>Principal and Registered Office</b>	Archer Road Farrington Sunderland SR3 3DJ						
<b>Company Registration Number</b>	08287012 (England and Wales)						
<b>Independent Auditor</b>	Baldwins Audit Services Wynyard Park House Wynyard Avenue Wynyard TS22 5TB						
<b>Bankers</b>	Lloyds Bank Fawcett Street Sunderland Tyne & Wear SR1 1SF						
<b>Solicitors</b>	Thorp Parker Newtons 13 High Street Stokesley Middlesbrough TS9 5AD						

# **Inspire Multi Academy Trust**

## **Trustees' Report**

### **For The Period Ended 31<sup>st</sup> August 2018**

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2017 to 31 August 2018. 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, Farringdon Academy, Fatfield Academy, New Penshaw 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 2018 the actual number on roll within each academy was:

Burnside - 181  
Farringdon - 420  
Fatfield - 229  
New Penshaw - 187  
Plains Farm – 213

Mr Stephen Ruffell formally took up the position of Chairman of the Trust on the 1st September 2017, following appointment by the Board of Trustees on the 18th July 2017.

### **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 favour 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 has a lead area of responsibility linked to a core function of the business, for example EYFS, primary education, human resources, finance, community engagement, premises/health etc. 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 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 Executive and Senior Leadership Teams, staff and pupils. Moving forward, into the new academic year, trustees and local governors will be assigned a mentor to support them in settling 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 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, RAISE online, 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. Raise Online, 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 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

# Inspire Multi Academy Trust

## 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	0
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time + total pay bill) x 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) x 100	0
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An amount of £5,580 has been paid for the Trade Union Facility service level agreement (SLA) in 2017/18. 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 21<sup>st</sup> 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 2018/19**

- continue to build capacity of the academy trust so that capacity for future expansion remains in line with the growth plan
- ensure that all 'good' Academies are judged as at least good in their forthcoming Ofsted inspections
- ensure that Farringdon is restored to a good judgement within external reviews and 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 in line with or exceed national expectations
- deepen and strengthen the quality of leadership and management at middle management level within our academies to support attainment and progress of pupils

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

- growth plan specifically identifies Central Team roles expanding/developing in advance of future need
- robust financial management with effective 3-5 year budget planning informs decisions around developing structures and growth
- effective and transparent relationships with the DfE in terms of negotiating any planned growth
- high levels of leadership accountability at all levels 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
- ensuring all stakeholders have a voice in the direction of the academy trust and individual academies

### **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 and pre-school playgroups. We also run adult and family learning training programmes.

# Inspire Multi Academy Trust

## Trustees' Report (continued)

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

Burnside, Fatfield, New Penshaw and Plains Farm academies are graded as good by Ofsted. Farringdon Academy were graded as Requiring Improvement during their most recent Ofsted inspection in May 2018. However, Farringdon's progress and attainment data have improved significantly in 2018 as a result of the strong leadership of the Head teacher and Chief Executive Head teacher. The Board of Trustees and the Executive and Senior Leadership Team have ensured a robust action plan is in place, underpinned by effective systems, procedures and processes, which will rapidly deliver and sustain the required improvements.

#### Key Performance Indicators

Attainment of Good Level of Development across the Trust is in line with or above National 2017 figures with the exception of Burnside and Farringdon who were slightly below linked to cohort specific issues and mobility.

Key Stage 1 attainment of children achieving the expected level is above 2017 National average attainment in Writing, above 2017 National attainment in Maths in Fatfield and in line with 2017 National in the remaining Academies. Attainment within Reading was slightly above 2017 National in Fatfield, in line within Farringdon and New Penshaw and below within Burnside and Plains Farm.

Within KS2 pupils across the Trust made average or better than average progress in all subjects from their KS1 attainment.

Attainment within the combined judgement of Reading, Writing and Maths was significantly above average in Farringdon Academy, above average in Burnside and Fatfield Academies and below in Plains Farm. Attainment of pupils at the Greater Depth judgement remains a key focus for all of our academies, with the exception of Burnside Academy for Reading and Maths where they were significantly above the National average for Greater Depth.

### INSPIRE MAT SUMMARY REPORT 2018

#### EYFS Good Level of Development

% Pupils achieving a Good Level of Development*	2018
Farringdon	67
New Penshaw	72
Plains Farm	74
Burnside	64
Fatfield	73

#### Y1 Phonics

% Pupils achieving Y1 Phonics Standard	National 18	Summer 18
Farringdon	82	77
Plains Farm	82	76
New Penshaw	82	72
Burnside	82	77
Fatfield	82	76

# Inspire Multi Academy Trust

## Trustees' Report (continued)

### Key Stage 1 Reading- achieving expected level or above

Academy	National 18	Summer 18
Farringdon	75	73
Plains Farm	75	70
New Penshaw	75	74
Burnside	75	70
Fatfield	75	77

### Key Stage 1 Reading-achieving greater depth

Academy	National 18	Summer 18
Farringdon	26	24
Plains Farm	26	17
New Penshaw	26	22
Burnside	26	13
Fatfield	26	23

### Key Stage 1 Writing- achieving expected level or above

Academy	National 18	Summer 18
Farringdon	70	69
Plains Farm	70	70
New Penshaw	70	70
Burnside	70	70
Fatfield	70	73

### Key Stage 1 Writing-achieving greater depth

Academy	National 18	Summer 18
Farringdon	16	15
Plains Farm	16	13
New Penshaw	16	13
Burnside	16	13
Fatfield	16	12

### Key Stage 1 Maths- achieving expected level or above

Academy	National 18	Summer 18
Farringdon	76	75
Plains Farm	76	74
New Penshaw	76	74
Burnside	76	73
Fatfield	76	85

### Key Stage 1 Maths-achieving greater depth

Academy	National 18	Summer 18
Farringdon	22	20
Plains Farm	22	17
New Penshaw	22	17
Burnside	22	13
Fatfield	22	31

### Key Stage 2 Reading- achieving expected level or above

Academy	National 18	Summer 18
Farringdon	75	87
Plains Farm	75	60
New Penshaw	75	69
Burnside	75	72
Fatfield	75	84

### Key Stage 2 Reading-achieving a high score

Academy	National 18	Summer 18
Farringdon	28	24
Plains Farm	28	17
New Penshaw	28	10
Burnside	28	50
Fatfield	28	16

### Key Stage 2 Writing- achieving expected level or above

Academy	National 18	Summer 18
Farringdon	68	82
Plains Farm	68	70
New Penshaw	68	79
Burnside	68	72
Fatfield	68	87

### Key Stage 2 Writing-achieving greater depth

Academy	National 18	Summer 18
Farringdon	20	20
Plains Farm	20	0
New Penshaw	20	3
Burnside	20	17
Fatfield	20	23

# Inspire Multi Academy Trust Trustees' Report (continued)

## Key Stage 2 Maths- achieving expected level or above

Academy	National 18	Summer 18
Farringdon	76	89
Plains Farm	76	53
New Penshaw	76	72
Burnside	76	72
Fatfield	76	84

## Key Stage 2 Maths- achieving a high score

Academy	National 18	Summer 18
Farringdon	24	27
Plains Farm	24	7
New Penshaw	24	14
Burnside	24	44
Fatfield	24	13

## Key Stage 2 Combined Score - expected level or above

Academy	National 18	Summer 18
Farringdon	64	80
Plains Farm	64	47
New Penshaw	64	62
Burnside	64	72
Fatfield	64	74

## Key Stage 2 Combined Score - greater depth

Academy	National 18	Summer 18
Farringdon	10	9
Plains Farm	10	0
New Penshaw	10	0
Burnside	10	17
Fatfield	10	3

## Key Stage 2 Progress Measures

\*National Average Progress is 0

Academy	Reading	Writing	Maths
Farringdon	+1.0	0	+2.6
Plains Farm	+2.1	+0.4	-0.2
New Penshaw	-0.7	-0.4	+0.5
Burnside	+4.5	-0.5	+3.7
Fatfield	+0.4	+1.0	0.0

## Progress Measures KS2 2018

- a score of 0 means pupils in this school on average do about as well at KS2 as those with similar prior attainment Nationally
- a positive score means that pupils in this school on average do better at KS2 than those with similar prior attainment Nationally
- a negative score means that pupils in this school on average do worse at KS2 than those with similar prior attainment Nationally

## Floor Standard 2018

In 2018 a school will be above the floor if:

- at least 65% of pupils meet the expected standard in English, Reading, English Writing and Mathematics

Or:

- the school achieves sufficient progress scores in all three subjects
- at least -5 in Reading, -5 in Mathematics and -7 in Writing

## All Academies within Inspire MAT are above the Floor Standard for 2018

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

# Inspire Multi Academy Trust

## Trustees' Report (continued)

The effective strategic planning, systems and working relationships across the academy trust ensures that our capacity for further improvement is strong.

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. An Attendance Officer has been appointed to Farrington Academy to support them in strategically improving attendance. If this role has a significant impact this will be developed across the Trust.

### 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 2017/18 the academy trust invested GAG surpluses to further support the following academy projects:

- £19k to Fatfield Academy to establish an IT suite, this included furniture and IT hardware, electrical work and cabling
- £9.5k to Farrington Academy to complete electrical works to the kitchen/dining area.

During the period ending 31<sup>st</sup> August 2018 expenditure amounting to £6,647,436 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.

Following successful Condition Improvement Fund awards in 2016/17 of £940,869, the trust have successfully secured further Condition Improvement funding in 2017/18 of £571,707 to support roofing works at Plains Farm Academy £84,631 and Fatfield Academy £487,076.

Trustees have agreed to commit £17k GAG surpluses to support the 2017/18 roofing works. In June 2018, £33,174 was received in respect of the Devolved Formula Capital (DFC) grants.

In accordance with the charities SORP 2005, 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. Trustees anticipate pupil number will continue to rise linked to the growing reputation of our academies in the local community and further supported by the Government's extended childcare programme. Academies also continue their drive to promote the schools through targeted promotional campaigns and advertising opportunities.

As a result of close working relationships, sharing of best practice and high expectations, attainment and progress has improved across the academy trust which has been reflected in a rise in pupil numbers that will secure increased funding from the ESFA over future years.

# Inspire Multi Academy Trust

## Trustees' Report (continued)

### 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. Approved expenditure of reserves is reviewed by the Board of Trustees on a termly basis.

As of 31st August 2018 the level of trust reserves held in restricted funds not available for general purposes is £376,513 plus a balance of unrestricted general funds of £577,198 giving a net surplus of £953,711. 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 whether to re-invest or whether the funds will be required for urgent necessities or contingencies. Trustees have an approved investment policy in place.

### 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 annually by trustees.

The system of Risk Management is monitored and reviewed on an annual 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.

# Inspire Multi Academy Trust

## Trustees' Report (continued)

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 community and businesses, collaborating and sharing initiatives across the Trust.

Trustees have ensured that 2017/18 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 2018/19 were set, again evidencing sound financial planning.

### Fundraising

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

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

- school fairs (usually Easter, Summer and Christmas)
- school raffles
- tuck shop
- craft sales
- book fairs

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.

Occasionally our academies engage approved commercial participators within our fundraising activity; this would typically encompass book fairs and school photography sessions where the academy would receive a commission in line with the volume of sales activity. The commission would typically be made in the form of book vouchers or resources. Each academy will operate commercial arrangements within agreed terms and conditions.

### Plans for Future Periods

Our primary focus for the trust in 2018/19 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
- develop further outdoor learning opportunities
- raising the level of good teaching to at least 100% and driving the level of outstanding teaching to at least 50% or better
- continue to embed assessment, planning and reporting in line with national expectations
- reduce the levels of persistently absent pupils and improve overall attendance to be in line with national
- use our resources specifically for the benefit of all pupils in the academy trust
- continue to raise the profile of academy lettings to be accessed by community groups across the area
- increase the number of pupils on roll at New Penshaw and Burnside Academies

## Inspire Multi Academy Trust Trustees' Report (continued)

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 and New Penshaw academies
- further investment in communication and IT systems, hardware 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; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 27 November 2018 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	3	7
E Scribbins	6	6
H Brown	6	7
J West	7	7
K Gilligan	2	7
M Byers	6	6
S Porthouse	2	3
S Ruffell (Chairman)	6	7
T Pizl	5	7

### Governance Review

Members and trustees have engaged Academy Ambassadors to support recruitment to vacant positions; this includes one member vacancy and one trustee vacancy. The vacancies were advertised during August to September 2018 and a recruitment exercise is now underway.

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 2017/18, 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 2018 in the production of the Trust Improvement Plan for 2018/19.

# 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 Limited, the external auditor

Attendance during the year at meetings was as follows:

Trustees	Meetings attended	Out of a possible
A McCully	0	3
H Brown	2	3
J West	1	3
M Byers	3	3
S Porthouse	2	2
S Ruffell	2	3
T Pizl	2	2

#### 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

# Inspire Multi Academy Trust

## Governance Statement (continued)

Attendance during the year at meetings was as follows:

Trustees	Meetings attended	Out of a possible
H Brown	1	1
M Byers	1	1
S Ruffell	1	1

### 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
- supply cover
- IT software 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
- 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<sup>st</sup> September 2017 to 31<sup>st</sup> August 2018 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 1st September 2017 to 31st August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

### The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and termly financial reports, which are reviewed and agreed by the Board of Trustees
- termly internal audit reviews by the commissioned provider
- 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 2018 and summer 2018 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 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 plan to address any identified weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 27 November 2018 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 ESFA terms and conditions of funding, 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 2017.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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 2017 to 2018;
- Make judgments and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 27 November 2018 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 2018**

### **Opinion**

We have audited the accounts of Inspire Multi Academy Trust for the year ended 31 August 2018 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 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure, for the Period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018.

### **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.

## **Inspire Multi Academy Trust**

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

#### **Other information**

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The trustees are responsible for the other information. 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.

#### **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 Period 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.

# Inspire Multi Academy Trust

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

### 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.

### 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.

Baldwins

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

28/11/18

.....

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 2018**

In accordance with the terms of our engagement letter dated 31 August 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, 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 2017 to 31 August 2018 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 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 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 Audit reports
- 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 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**Reporting Accountant**  
Baldwins Audit Services

Dated: 28/11/18

# Inspire Multi Academy Trust

## Statement of Financial Activities for the Year Ended 31 August 2018 (including Income and Expenditure Account)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2017/18 £000	Total 2016/17 £000
<b>Income and endowments from:</b>						
Donations and capital grants	2	22	10	550	582	1,313
Charitable activities:						
Funding for educational operations	3	77	6,117	-	6,194	6,118
Other trading activities	4	175	13	-	188	182
Investments	5	1	-	-	1	1
<b>Total</b>		<b>275</b>	<b>6,140</b>	<b>550</b>	<b>6,965</b>	<b>7,614</b>
<b>Expenditure on:</b>						
Raising funds	6	52	9	-	61	66
Charitable activities:						
Educational operations	7	130	6,222	233	6,585	6,562
<b>Total</b>		<b>182</b>	<b>6,231</b>	<b>233</b>	<b>6,646</b>	<b>6,628</b>
<b>Net income / (expenditure)</b>		<b>93</b>	<b>(91)</b>	<b>317</b>	<b>319</b>	<b>986</b>
<b>Transfer between funds</b>	18	<b>(14)</b>	<b>(50)</b>	<b>64</b>	<b>-</b>	<b>-</b>
<b>Other recognised gains / (losses):</b>						
Actuarial (losses) / gains on defined benefit pension schemes	18,27	-	535	-	535	986
<b>Net movement in funds</b>		<b>79</b>	<b>394</b>	<b>381</b>	<b>854</b>	<b>1,972</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		498	(1,092)	8,940	8,346	6,374
<b>Total funds carried forward</b>		<b>577</b>	<b>(698)</b>	<b>9,321</b>	<b>9,200</b>	<b>8,346</b>

# Inspire Multi Academy Trust

## Balance Sheet as at 31 August 2018

Company Number 08287012

	Notes	2018 £000	2018 £000	2017 £000	2017 £000
<b>Fixed Assets</b>					
Intangible assets	12		1		2
Tangible assets	13		8,769		8,457
<b>Current Assets</b>					
Stock	14	2		5	
Debtors	15	479		549	
Cash at bank and in hand		2,014		1,795	
		<u>2,495</u>		<u>2,349</u>	
<b>Liabilities</b>					
Creditors: Amounts falling due within one year	16	(984)		(1,054)	
<b>Net current assets</b>			<u>1,511</u>		<u>1,295</u>
<b>Total assets less current liabilities</b>			<u>10,281</u>		<u>9,754</u>
Creditors: Amounts falling due after more than one year	17		(6)		(20)
<b>Net assets excluding pension liability</b>			<u>10,275</u>		<u>9,734</u>
Defined benefit pension scheme liability	27		(1,075)		(1,388)
<b>Total net assets</b>			<u>9,200</u>		<u>8,346</u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>					
- Fixed asset fund	18	9,321		8,940	
- Restricted income fund	18	377		296	
- Pension reserve	18	(1,075)		(1,388)	
<b>Total restricted funds</b>			<u>8,623</u>		<u>7,848</u>
<b>Unrestricted income funds</b>	18		<u>577</u>		<u>498</u>
<b>Total funds</b>			<u>9,200</u>		<u>8,346</u>

The financial statements on pages 26 to 47 were approved by the trustees and authorised for issue on 27 November 2018 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 2018

	Notes	2018 £000	2017 £000
<b>Cash flows from operating activities</b>			
Net cash provided by (used in) operating activities	22	262	212
<b>Cash flows from investing activities</b>	24	(43)	424
<b>Cash flows from financing activities</b>	23	-	-
<b>Change in cash and cash equivalents in the reporting period</b>		<u>219</u>	<u>636</u>
<b>Cash and cash equivalents at 1 September 2017</b>		1,795	1,159
<b>Cash and cash equivalents at 31 August 2018</b>	25	<u>2,014</u>	<u>1,795</u>

# Inspire Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2018

### 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 2017 to 2018 issued by the 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 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 2018 (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 fund raising 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.

### Tangible Fixed Assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet.

# Inspire Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

### 1. Statement of Accounting Policies (continued)

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.

#### Investments

None held.

# Inspire Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

### 1. Statement of Accounting Policies (continued)

#### 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. 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.

# Inspire Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

### 1. Statement of Accounting Policies (continued)

#### **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 2018. 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.

**Inspire Multi Academy Trust**  
**Notes to the Financial Statements for the Year Ended 31 August 2018**  
**(continued)**

**2 Donations and capital grants**

	Unrestricted Funds £000	Restricted Funds £000	Total 2017/18 £000	Total 2016/17 £000
Capital grants	-	548	548	974
Donated Fixed Assets	-	-	-	308
Other donations	22	12	34	31
	<u>22</u>	<u>560</u>	<u>582</u>	<u>1,313</u>
<b>2017 Total</b>	<u>11</u>	<u>1,302</u>	<u>1,313</u>	

**3 Funding for the Academy Trust's Educational Operations**

	Unrestricted Funds £000	Restricted Funds £000	Total 2017/18 £000	Total 2016/17 £000
<b>DfE / ESFA revenue grants</b>				
- General Annual Grant (GAG)	-	4,723	4,723	4,738
- Other DfE Group grants	-	816	816	769
-	-	5,539	5,539	5,507
<b>Other Government Grants</b>				
Local Authority Grants	-	488	488	447
	<u>-</u>	<u>488</u>	<u>488</u>	<u>447</u>
Other income from the academy trust's educational operations	77	90	167	164
	<u>77</u>	<u>6,117</u>	<u>6,194</u>	<u>6,118</u>
<b>2017 Total</b>	<u>86</u>	<u>6,032</u>	<u>6,118</u>	

**4 Other trading activities**

	Unrestricted Funds £000	Restricted Funds £000	Total 2017/18 £000	Total 2016/17 £000
Hire of facilities	16	-	16	20
Catering income	4	-	4	4
Other income	155	13	168	158
	<u>175</u>	<u>13</u>	<u>188</u>	<u>182</u>
<b>2017 Total</b>	<u>163</u>	<u>19</u>	<u>182</u>	

**5 Investment income**

	Unrestricted Funds £000	Restricted Funds £000	Total 2017/18 £000	Total 2016/17 £000
Short term deposits	1	-	1	1
	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>
<b>2017 Total</b>	<u>1</u>	<u>-</u>	<u>1</u>	

**Inspire Multi Academy Trust**  
**Notes to the Financial Statements for the Year Ended 31 August 2018**  
**(continued)**

**6 Expenditure**

	Non Pay Expenditure			Total 2017/18 £000	Total 2016/17 £000
	Staff Costs £000	Premises £000	Other £000		
Expenditure on raising funds					
- Allocated support costs	41	-	20	61	66
Academy's educational operations:					
- Direct costs	3,796	-	680	4,476	4,504
- Allocated support costs	1,132	358	619	2,109	2,058
	<u>4,969</u>	<u>358</u>	<u>1,319</u>	<u>6,646</u>	<u>6,628</u>
<b>2017 Total</b>	<u>5,042</u>	<u>289</u>	<u>1,297</u>	<u>6,628</u>	

**Net income / (expenditure) for the period includes:**

	2017/18 £000	2016/17 £000
Operating leases rentals	15	20
Depreciation	232	215
Amortisation of intangible fixed assets (included within Charitable Activities – Academy trust educational operations)	1	1
Fees payable to auditor for:		
- Audit	14	15
	<u>262</u>	<u>251</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 2017/18 £000	Total 2016/17 £000
<b>Direct costs – educational operations</b>	<b>4,476</b>	<b>4,504</b>
<b>Support costs – educational operations</b>	<b>2,109</b>	<b>2,058</b>
	<u><b>6,585</b></u>	<u><b>6,562</b></u>
<b>Analysis of support costs</b>		
Support staff costs	1,132	1,145
Depreciation	10	7
Technology costs	33	32
Premises costs	358	289
Other support costs	497	501
Governance costs	79	84
<b>Total support costs</b>	<u><b>2,109</b></u>	<u><b>2,058</b></u>

**Inspire Multi Academy Trust**  
**Notes to the Financial Statements for the Year Ended 31 August 2018**  
**(continued)**

**8 Staff**

**a. Staff costs**

Staff costs during the period were:

	2017/18 £000	2016/17 £000
Wages and salaries	3,719	3,715
Social security costs	324	328
Pension costs	754	800
Apprenticeship Levy	3	2
	<u>4,800</u>	<u>4,845</u>
Agency staff costs	118	66
Staff restructuring costs	19	91
	<u>4,937</u>	<u>5,002</u>
Staff restructuring costs comprise:		
Severance payments	19	91
	<u>19</u>	<u>91</u>

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

Included in staff restructuring costs are non-statutory/non contractual severance payments of £18,933 (2017: £91,045). Individually these payments were for £7,760, £7,193 and £3,980.

**c. Staff numbers**

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

	2018 No.	2017 No.
Teachers	55	54
Administration and support	143	143
Management	8	9
	<u>206</u>	<u>206</u>

**d. Higher paid staff**

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	2	3
In the band £70,001 - £80,000	1	2
In the band £80,001 - £90,000	1	-
In the band £100,001 - £110,000	-	1
In the band £110,001 - £120,000	1	-
In the band £140,001 - £150,000	-	1

The above employees participated in the Teachers' Pension Scheme.

# Inspire Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2018

### (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 national insurance contributions) received by key management personnel for their services to the academy trust was £339,759 (2017: £403,927).

#### 9 Related Party Transactions – Trustees' Remuneration and Expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

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

Mrs J West (Chief Executive Headteacher and trustee):

Remuneration	£115,000 - £120,000 (2017: £100,000 - £105,000)
Employer's pension contributions	£15,000 - £20,000 (2017: £15,000 - £20,000)

Miss A McCully (Executive Bursar and trustee):

Remuneration	£60,000 - £65,000 (2017: £60,000 - £65,000)
Employer's pension contributions	£10,000 - £15,000 (2017: £10,000 - £15,000)

Mrs T Pizl (Lead Headteacher and trustee, appointed 1<sup>st</sup> September 2017):

Remuneration	£80,000 - £85,000 (2017: £0)
Employer's pension contributions	£10,000 - £15,000 (2017: £0)

During the period ended 31 August 2018, no travel and subsistence expenses were reimbursed or paid directly to trustees (2017: £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 and Fatfield Academies have made full financial contributions based on the above model towards the central services for this accounting period. Due to the inherited deficit budget position upon conversion, Trustees agreed that Burnside Academy would make a reduced financial contribution towards central services within this period to support financial sustainability moving forward.

**Inspire Multi Academy Trust**  
**Notes to the Financial Statements for the Year Ended 31 August 2018**  
**(continued)**

The actual amounts charged during the year were as follows:

	<b>2018</b>
	<b>£000</b>
Farringdon Academy	120
New Penshaw Academy	60
Plains Farm Academy	60
Fatfield Academy	60
Burnside Academy	22
	<u>322</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 £000
<b>Cost</b>		
At 1 September 2017	3	3
At 31 August 2018	<u>3</u>	<u>3</u>
<b>Amortisation</b>		
At 1 September 2017	1	1
Charged in year	1	1
At 31 August 2018	<u>2</u>	<u>2</u>
<b>Net book values</b>		
At 31 August 2017	2	2
At 31 August 2018	<u>1</u>	<u>1</u>

**Inspire Multi Academy Trust**  
**Notes to the Financial Statements for the Year Ended 31 August 2018**  
**(continued)**

**13 Tangible fixed assets**

	Leasehold Land and Buildings	Furniture and Equipment	Computer Equipment	Assets Under Construction	Total
	£000	£000	£000	£000	£000
<b>Cost</b>					
At 1 September 2017	8,091	145	308	560	9,104
Additions	351	66	27	100	544
Transfers	560	-	-	(560)	-
At 31 August 2018	9,002	211	335	100	9,648
<b>Depreciation</b>					
At 1 September 2017	433	26	188	-	647
Charged in year	160	17	55	-	232
At 31 August 2018	593	43	243	-	879
<b>Net book values</b>					
At 31 August 2017	7,658	119	120	560	8,457
At 31 August 2018	8,409	168	92	100	8,769

**14 Stock**

	2018 £000	2017 £000
Stationery	2	5
	<u>2</u>	<u>5</u>

**15 Debtors**

	2018 £000	2017 £000
Trade debtors	9	2
VAT recoverable	91	156
Other debtors	2	6
Prepayments and accrued income	377	385
	<u>479</u>	<u>549</u>

**16 Creditors: amounts falling due within one year**

	2018 £000	2017 £000
Trade creditors	3	6
Other taxation and social security	172	146
Other Creditors	533	470
Accruals and deferred income	276	432
	<u>984</u>	<u>1,054</u>

**Deferred income**

	2018 £000	2017 £000
Deferred Income at 1 September 2017	72	55
Resources deferred in the year	81	72
Amounts released from previous years	(72)	(55)
Deferred Income at 31 August 2018	<u>81</u>	<u>72</u>

At the balance sheet date the multi academy trust was holding funds received in advance Academy Infant free School Meals £68,702 and rates relief £12,127.

**Inspire Multi Academy Trust**  
**Notes to the Financial Statements for the Year Ended 31 August 2018**  
**(continued)**

**17 Creditors: amounts falling due in greater than one year**

	2018 £000	2017 £000
Other creditors	6	20
	<u>6</u>	<u>20</u>

**18 Funds**

	Balance at 1 September 2017	Income	Expenditure	Gains, Losses and Transfers	Balance at 31 August 2018
	£000	£000	£000	£000	£000
<b>Restricted general funds</b>					
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>
<b>Restricted fixed asset funds</b>					
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>
<b>Total restricted funds</b>	<u>7,848</u>	<u>6,690</u>	<u>(6,464)</u>	<u>549</u>	<u>8,623</u>
<b>Total unrestricted funds</b>	<u>498</u>	<u>275</u>	<u>(182)</u>	<u>(14)</u>	<u>577</u>
<b>Total funds</b>	<u>8,346</u>	<u>6,965</u>	<u>(6,646)</u>	<u>535</u>	<u>9,200</u>

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 £49,982 represents the capital expenditure from the GAG and other grants during the period.

The gross transfer from the unrestricted funds to the restricted fixed asset fund of £14,067 represents the capital expenditure from unrestricted funds.

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 has been received for flat roof replacements to two academies. A final completion payment has been received for a third academy.

The academy's restricted general and unrestricted funds total £954k at 31 August 2018.

**Inspire Multi Academy Trust**  
**Notes to the Financial Statements for the Year Ended 31 August 2018**  
**(continued)**

**Total funds analysis by academy**

Fund balances at 31 August 2018 were allocated as follows:

	2018 £000	2017 £000
Farringdon Academy	297	282
New Penshaw Academy	332	241
Plains Farm Academy	294	271
Burnside Academy	18	-
Fatfield Academy	12	-
Inspire Central Costs (excluding FRS102 pension transactions)	1	-
Total before fixed assets and pension reserve	<u>954</u>	<u>794</u>
Restricted fixed asset fund	9,321	8,940
Pension reserve	(1,075)	(1,388)
<b>Total</b>	<u>9,200</u>	<u>8,346</u>

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 now in place 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	2017/18 Total £000	2016/17 Total £000
Farringdon Academy	1,207	294	76	315	1,892	1,829
New Penshaw Academy	579	116	38	191	924	1,063
Plains Farm Academy	667	185	52	216	1,120	925
Burnside Academy	577	94	34	190	895	894
Fatfield Academy	627	114	53	255	1,049	1,008
Inspire central costs (includes FRS102 pension transactions)	139	338	2	54	533	693
<b>Academy Trust</b>	<u>3,796</u>	<u>1,141</u>	<u>255</u>	<u>1,221</u>	<u>6,413</u>	<u>6,412</u>

**Inspire Multi Academy Trust**  
**Notes to the Financial Statements for the Year Ended 31 August 2018**  
**(continued)**

Comparative information in respect of the preceding period (to 31 August 2017) is as follows:

	Balance at 1 September 2016	Income	Expenditure	Gains, Losses and Transfers	Balance at 31 August 2017
	£000	£000	£000	£000	£000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	178	4,738	(4,648)	(140)	128
Start Up Grant	-	-	-	-	-
Pupil Premium	-	607	(607)	-	-
Provision for boarding	-	-	-	-	-
Other grants	159	609	(637)	(17)	114
Other income	52	111	(99)	(10)	54
Pension reserve	(2,140)	-	(234)	986	(1,388)
	<b>(1,751)</b>	<b>6,065</b>	<b>(6,225)</b>	<b>819</b>	<b>(1,092)</b>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	7,334	-	(155)	-	7,179
DfE Group capital grants	80	974	(2)	-	1,052
Other Capital Grants	8	6	(1)	-	13
Capital expenditure from GAG	215	-	(48)	140	307
Private sector capital sponsorship	-	-	-	-	-
Other Income	64	308	(10)	27	389
	<b>7,701</b>	<b>1,288</b>	<b>(216)</b>	<b>167</b>	<b>8,940</b>
<b>Total restricted funds</b>	<b>5,950</b>	<b>7,353</b>	<b>(6,441)</b>	<b>986</b>	<b>7,848</b>
<b>Total unrestricted funds</b>	<b>424</b>	<b>261</b>	<b>(187)</b>	<b>-</b>	<b>498</b>
<b>Total funds</b>	<b>6,374</b>	<b>7,614</b>	<b>(6,628)</b>	<b>986</b>	<b>8,346</b>

**19 Analysis of net assets between funds**

Fund balances at 31 August 2018 are represented by:

	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)
<b>Total net assets</b>	<b>577</b>	<b>(698)</b>	<b>9,321</b>	<b>9,200</b>

# Inspire Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

Comparative information in respect of the preceding period (at 31 August 2017) is as follows:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Intangible fixed assets	-	-	2	2
Tangible fixed assets	-	-	8,457	8,457
Current assets	509	1,170	670	2,349
Current liabilities	(11)	(854)	(189)	(1,054)
Non-current liabilities	-	(20)	-	(20)
Pension scheme liability	-	(1,388)	-	(1,388)
<b>Total net assets</b>	<b>498</b>	<b>(1,092)</b>	<b>8,940</b>	<b>8,346</b>

### 20 Capital Commitments

	2018 £000	2017 £000
Contracted for, but not provided in the financial statements	421	27
	<u>421</u>	<u>27</u>

### 21 Operating Leases

At 31 August 2018 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £000	2017 £000
Amounts due within one year	13	13
Amounts due between one and five years	23	20
Amounts due after five years	-	-
	<u>36</u>	<u>33</u>

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

	2017/18 £000	2016/17 £000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	319	986
Adjusted for:		
Amortisation (note 12)	1	1
Depreciation (note 13)	232	215
Capital grants from DfE and other capital income	(550)	(980)
Less Donated Fixed Asset	-	(308)
Interest receivable (note 5)	(1)	(1)
Defined benefit pension scheme cost less contributions payable (note 27)	190	194
Defined benefit pension scheme finance cost (note 27)	32	40
(Increase)/decrease in stocks	3	(3)
(Increase)/decrease in debtors	70	(308)
Increase/(decrease) in creditors	(34)	376
<b>Net cash provided by / (used in) Operating Activities</b>	<u><b>262</b></u>	<u><b>212</b></u>

**Inspire Multi Academy Trust**  
**Notes to the Financial Statements for the Year Ended 31 August 2018**  
**(continued)**

**23 Cash flows from financing activities**

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

**24 Cash flows from investing activities**

	2017/18 £000	2016/17 £000
Dividends, interest and rents from investments	1	1
Purchase of intangible fixed assets	-	(2)
Purchase of tangible fixed assets	(594)	(555)
Capital grants from DfE Group	548	974
Capital funding received from sponsors and others	2	6
<b>Net cash provided by / (used in) investing activities</b>	<b>(43)</b>	<b>424</b>

**25 Analysis of cash and cash equivalents**

	2018 £000	2017 £000
Cash in hand and at bank	2,014	1,795
Notice deposits (less than 3 months)	-	-
<b>Total cash and cash equivalents</b>	<b>2,014</b>	<b>1,795</b>

**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 £72,229 were payable to the schemes at 31<sup>st</sup> August 2018 (2017: £0) and are included within creditors.

**Teachers' Pension Scheme**

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

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

# Inspire Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

### Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £545,826 (2017: £548,137).

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

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

### 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 2018 was £297,691 (2017: £334,338), of which employer's contributions totalled £216,300 (2017: £258,316) and employees' contributions totalled £81,391 (2017: £76,022). The agreed contribution rates for future years is 16.4% for employers and 5.5% - 12.5% for employees.

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

**Inspire Multi Academy Trust**  
**Notes to the Financial Statements for the Year Ended 31 August 2018**  
**(continued)**

**Principal Actuarial Assumptions (% per annum)**

	<b>2018</b>	<b>2017</b>
Rate of increase in salaries	3.5%	3.4%
Rate of increase for pensions in payment/inflation	2.0%	1.9%
Discount rate for scheme liabilities	2.8%	2.5%
Inflation assumption (CPI)	2.0%	1.9%
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:

	<b>2018</b>	<b>2017</b>
<i>Retiring today</i>		
Males	22.9	22.8
Females	26.4	26.3
<i>Retiring in 20 years</i>		
Males	25.1	25.0
Females	28.7	28.6

**Sensitivity analysis**

	<b>2018</b>	<b>2017</b>
	£000	£000
Discount rate +0.1%	5,384	5,104
Discount rate -0.1%	5,671	5,376
Mortality assumption – 1 year increase	5,370	5,086
Mortality assumption – 1 year decrease	5,682	5,391
CPI rate +0.1%	5,589	5,297
CPI rate -0.1%	5,464	5,179

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

	<b>2018</b>	<b>2017</b>
	£000	£000
Equities	3,004	2,545
Corporate bonds	499	443
Property	378	346
Government bonds	178	150
Cash	98	150
Other	294	216
<b>Total market value of assets</b>	<b>4,451</b>	<b>3,850</b>

The actual return on scheme assets was £337,000 (2017: £628,000).

**Amount recognised in the Statement of Financial Activities**

	<b>2017/18</b>	<b>2016/17</b>
	£000	£000
Current service cost	(408)	(452)
Interest income	100	62
Interest cost	(132)	(102)
<b>Total amount recognised in the SOFA</b>	<b>(440)</b>	<b>(492)</b>

**Inspire Multi Academy Trust**  
**Notes to the Financial Statements for the Year Ended 31 August 2018**  
**(continued)**

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

	2017/18 £000	2016/17 £000
<b>At 1 September</b>	<b>5,238</b>	<b>5,111</b>
Current service cost	408	452
Interest cost	132	102
Employee contributions	82	76
Actuarial (gain) / loss	(298)	(420)
Benefits paid	(36)	(83)
<b>At 31 August</b>	<b>5,526</b>	<b>5,238</b>

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

	2017/18 £000	2016/17 £000
<b>At 1 September</b>	<b>3,850</b>	<b>2,971</b>
Interest income	100	62
Actuarial gain/(loss)	237	566
Employer contributions	218	258
Employee contributions	82	76
Benefits paid	(36)	(83)
<b>At 31 August</b>	<b>4,451</b>	<b>3,850</b>

## 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 1st 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 Mrs 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. Mrs Byers was not involved in the decision making process regarding the appointment.