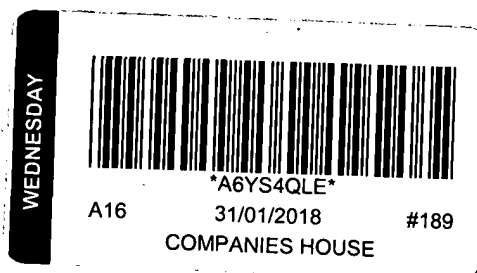


4/11
Registered number: 07657307

INSIGNIS ACADEMY TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017



INSIGNIS ACADEMY TRUST
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 11
Governance statement	12 - 15
Statement on regularity, propriety and compliance	16
Statement of Trustees' and Governors' responsibilities	17
Independent auditors' report on the financial statements	18 - 20
Independent reporting accountant's assurance report on regularity	21 - 22
Statement of financial activities incorporating income and expenditure account	23
Balance sheet	24
Statement of cash flows	25
Notes to the financial statements	26 - 45

INSIGNIS ACADEMY TRUST
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017**

Members

G Bull
D Griffiths
M Hardy

Trustees

S Box, Chief Executive Officer/Headteacher & Accounting Officer
G Bull, Chair of Trustees
D Griffiths
M Hardy
S Louis

Company registered number

07657307

Company name

Insignis Academy Trust

Principal and registered office

Oxford Road, Bucks, HP21 8PE

Company secretary

I Bryant

Senior management team

Mr S Box, Chief Executive Officer/Headteacher & Accounting Officer
Mr I Bryant, Assistant Head (Support Operations) & Chief Financial Officer
Ms J Cochrane, Deputy Headteacher
Dr R Footitt, Deputy Headteacher
Mrs S Williams, Assistant Headteacher

Independent auditors

Landau Baker Limited, Mountcliff House, 154 Brent Street, London, NW4 2DR

Bankers

Lloyds Bank PLC, 1 Market Square, Aylesbury, Bucks, HP20 1TD

INSIGNIS ACADEMY TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2017

Advisers (continued)

Solicitors

Browne Jacobson, Mowbray House, Castle Meadow Road, Nottingham, NG2 1BJ

INSIGNIS ACADEMY TRUST
(A company limited by guarantee)

**TRUSTEES' AND GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017**

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2016 to 31 August 2017. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The charitable company was incorporated on the 3 June 2011, and conversion to Academy status was on the 1 July 2011.

Conversion to Multi-Academy Trust status took place on the 7 July 2016.

The trust currently operates one secondary academy in Aylesbury with a student roll of 1233 in the school census in October 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 (dated 1 September 2016) are the primary governing documents of the academy trust. The trustees of Insignis Academy Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as Insignis Academy Trust.

Details of the trustees who served during the period 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

Subject to the provisions of the Companies Act, every member, trustee, governor or other officer of the academy shall be indemnified out of the assets of the academy against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the academy.

Method of Recruitment and Appointment or Election of Trustees

The management of the academy trust is the responsibility of the Members and Trustees who are elected and co-opted under the terms of the Articles of Association and Funding Agreement as follows:

Members

- Signatories of the original Memorandum
- Additional Members as agreed by special resolution.

Trustees (Directors)

- Up to 8 Trustees but not less than 3, including the Chief Executive Officer if required, appointed by the Members
- Co-Opted Trustees appointed by other trustees
- A minimum of 2 Parent trustees if no Local Governing Body is appointed.

The term of office for any trustee is 4 years. The Chief Executive Office/Headteacher's term of office runs concurrently with their term of appointment. Subject to remaining eligible to be a particular type of trustee, any trustee may be reappointed or re-elected.

Within Insignis Academy Trust each educational organisation will have a Local Governing Body which will be made up of:

INSIGNIS ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' AND GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

- Headteacher
- 2-3 Parent Governors, elected by the parental body
- 1-2 Staff Governors, appointed by the staff body
- 3-6 Governors, appointed by the members
- Foundation Governor for a CE school included in the appointed Governor category
- Up to 3 Co-Opted Governors.

The term of office for any governor is 4 years. The Headteacher's term of office runs parallel with their term of appointment. Subject to remaining eligible to be a particular type of governor, any governor may be re-appointed or re-elected.

The Chair of IAT Board of Trustees takes overall responsibility for the recruitment of all trustees and governors, aiming to achieve a balance of skills and experience across the Trust and Local Governing Body. The Headteacher takes operational responsibility, directed by the Chair of IAT Board of Trustees, on behalf of the Local Governing Body for the recruitment process of Parent and Staff Governors via communication with the respective cohorts and organising elections as required. The Local Governing Body ratifies the appointment of all governors, and the Members and Trustees ratify the appointment of all trustees.

Policies and Procedures Adopted for the Induction and Training of Trustees

The Insignis Academy Trust and the Local Governing Body purchase a support service from the Local Authority that includes provision for training across a wide range of areas. One member of the Local Governing Body is appointed as the Development Governor to ensure all members, trustees and governors are able to take advantage of the training available and to monitor its effectiveness.

On appointment all new members, trustees and governors:

- meet with the Chair of IAT and/or the Local Governing Body (as appropriate), the CEO and/or Headteacher (as appropriate) and the Company Secretary
- are provided with an agreed set of information and guidelines
- are required to attend induction courses (as advised by the Development Governor)
- are invited to attend the full range of committee meetings.
- are required to sign a Declaration of Business Interest.

All trustees attend the IAT Board of Trustees (Directors) meetings.

All governors are appointed to at least one committee of the Local Governing Body following their induction period. Where specific training related to a committee's activities is available the appropriate governors are advised.

Organisational Structure

Insignis Academy Trust is managed by a Board of Trustees (Directors). The Trustees delegate responsibility for certain areas of the school's operation to the Local Governing Body in line with the agreed Scheme of Delegation.

The Insignis Academy Trust take responsibility for setting the strategic direction of the trust and school, monitoring performance (both academic and financial), setting the school budget, authorising financial arrangements above agreed limits, delivering policies and procedures for the school to operate by, agreeing the overall staff structure, and appointing members of the Senior Leadership Team (including setting their remuneration).

The Local Governing Body delegates responsibility for all areas of the school's operation to its committees except where legal requirements or direction from the Department for Education preclude this.

Committees operating throughout the period of this Annual Report were:

Insignis Academy Trust:

INSIGNIS ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' AND GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

- Audit

Sir Henry Floyd Grammar School Local Governing Body:

- Resources
- Standards

Within the structure of the Insignis Academy Trust, the Trustees have appointed the:

- Chief Executive Officer/Headteacher as the Accounting Officer
- Assistant Head (Support Operations) as the Chief Financial Officer

and charged them with fulfilling and reporting back on:

- requirements as outlined in the Funding Agreement
- direction as outlined in the Academies Financial Handbook.

Through the Insignis Academy Trust Board of Trustees and its committee structure the CEO/Headteacher is directly responsible for the day to day running of the academy and is assisted by the Senior Leadership Team. They are charged with fulfilling and reporting back on the:

- direction as outlined in the Strategic Plan
- objectives as outlined in the annual Development Plan
- additional priorities as they arise during the year.

The Assistant Head (Support Operations) is appointed as the Company Secretary to the Academy Trust.

The school's accountants and auditors, Landau Baker have been appointed to undertake the work of the Responsible Officer, reporting back on each school terms audit review.

Independent clerks are provided for the IAT Board of Trustees, the Local Governing Body, Resources Committee and Standards Committee.

Arrangements for setting pay and remuneration of key management personnel

The pay and remuneration of Insignis Academy Trust's key management personnel are agreed and authorised by the Trustees as follows:

IAT personnel:

- Chief Executive Officer, Chief Financial Officer, and if required, other personnel appointed to the senior leadership team.

School personnel:

- Headteachers, Deputy Headteachers, Assistant Headteachers and if required, other personnel appointed to the senior leadership team.

Related Parties and other Connected Charities and Organisations

The academy is the founding member of the Insignis Academy Trust which is a separate Trust where Sir Henry Floyd Grammar School is currently the only member. The Trust undertakes educational support activities.

Objectives and Activities

Objects and Aims

The Academy Trust's objects, as outlined in the Articles of Association are specifically restricted to the following:

- To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum or educational institutions which are principally concerned with providing full-time or part-time education for children of compulsory school age who, by reason of illness,

INSIGNIS ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' AND GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them or 16 to 19 Academies or schools specially organised to make special educational provision for pupils with Special Educational Needs.

The trustees have referred to the guidance issued by the Charity Commission in respect of public benefit when reviewing the aims and objectives of the academy.

In accordance with the Articles of Association, the Trust has adopted a "Scheme of Government" approved by the Secretary of State for Education.

The Scheme of Government is part of the wider 'Master Funding Agreement' between the Company and the Secretary of State and 'Supplemental Funding Agreements' for each Academy.

A copy of the full Articles of Association, Master Funding Agreement and Supplementary Funding Agreements are available to read on the academy's website at <http://www.sirhenryfloyd.bucks.sch.uk/about-us/trust-and-governing-body/>

Objectives, Strategies and Activities

The Trust's Strategic Plan outlines its specific aim as producing outstanding quality of education at Sir Henry Floyd Grammar School. The strategic aims were established at the time of the conversion to academy status of Sir Henry Floyd Grammar School. These are as follows.

- Excellent standards of achievement for all students.
- A sense of reliability, responsibility and respect in all students.
- Service to the community.
- The development of the personal skills needed for success in the adult world.
- Becoming the grammar school of choice in Aylesbury Vale for Year 7 entry.
- Becoming the first choice provider for post 16 academic education in Aylesbury.

The main objectives for each period are covered in detail in the Development Plan, with each of the areas below having a number of specific, time related targets. The Local Governing Body's committees take responsibility for reviewing all parts of the Development Plan.

For Sir Henry Floyd Grammar School, the primary objectives for 2016/17 are noted below:

Summer 2017 Academic Results:

- International Baccalaureate 7 - 5: target 75%
- GCSE A* - A: target 66%
- All identified groups of students make equal progress.
- KS2 to KS4: Progress from Key Stage 2 to Key Stage 4 to be as good as the top 20% of schools nationally.
- KS4 to KS5: Progress from Key Stage 4 to Key Stage 5 to be as good as the 20% of school nationally.

Quality of Teaching

- Maintain outstanding quality teaching.
- All teachers use interventions that are focused and measurable.
- Observations show that lessons have clear differentiation and 40% have outstanding 'progress'.
- Electronic homework system decreases student attendance at 'Prep' and decreases effort code 3s.
- Revised assessment system to ensure that levels of challenge are increased.
- Tail of low results in maths and sciences at A level is reduced.

Behaviour and Safety

- Outstanding rating for Behaviour and Care is maintained.
- Sixth form attendance is improved.

INSIGNIS ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' AND GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Leadership and Management

- Performance Management system is refined to include overall judgements about the quality of work.
- Access to ICT equipment for staff and students is improved.
- Leadership development is given a high priority.
- School leadership structures are reviewed as the MAT develops.
- New building constructed to accommodate an extra form of entry each year.

The academy has undertaken self-evaluation activities to correctly identify objectives for the next year. These objectives are:

- To maintain high educational standards with examination results that represent excellent progress for each student.
- To ensure that all groups of students do equally well, with no significant achievement gaps between any group of students and the school population.
- To ensure that all teachers show regard to the individual needs of their students, providing focused and measureable interventions whenever appropriate.
- To improve the quality of careers education and guidance.
- To improve the level of students' international mindedness.
- To complete alterations to the school building to create more science laboratories, canteen space and performing arts teaching facilities.
- To ensure that staff training programmes are linked to the outcomes of performance management reviews.
- To provide high quality leadership training for staff at the school (and for staff at other schools as well).
- To continue reviewing the school's leadership structures as the Multi Academy Trust develops.

Public Benefit

The Members and Trustees of the Insignis Academy Trust have given careful consideration to, and consider they have complied with their duty to have due regard to the guidance on Public Benefit published by the Charity

Commission in exercising their powers and duties, and in particular to its supplementary public benefit guidance on advancing education.

The activities undertaken to further the Insignis Academy Trust's purpose for the Public Benefit include:

- maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum
- utilising all funds received by the school for this objective and the activities related to this.

INSIGNIS ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' AND GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Strategic Report
Achievements and Performance

Key Performance Indicators

Student numbers continue to grow as the popularity of the school increases. 174 students were admitted into Year 7 and 70 students from other schools joined Year 12, taking the numbers in that year group to 192.

Public examination results were as follows:

Sir Henry Floyd Grammar School	Target	Actual
GCSE entries at AA*	66	68
IB entries at 7 to 5	75	82
A level entries at A* to B	75	73

These public examination results led to the school being rated within the top 20 schools in the south east of England by the Sunday Times newspaper.

School Absence Data

	2016/17
Authorised	3.4%
Unauthorised	0.3%
Total	3.7%

Ofsted Inspection Report

Ofsted inspected Sir Henry Floyd Grammar School in 2016 and rated the school as outstanding in every respect. The quality of the school's work as measured by the performance indicators above has maintained, and in many aspects improved, on the position of the school when it was inspected.

Extra-curricular activities

The school's dance department were placed second in the whole of the south east of England in the national competition "Rock Challenge".

Going Concern

After making appropriate enquiries, the Insignis Academy Trust 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

During the period, ESFA grants received totalled to £5,195,829 (2016: £4,957,483). Other income included within restricted funds totalled to £34,765 (2016: £43,806). Restricted fund expenditure totalled to £5,477,257 (2016: £5,641,126).

INSIGNIS ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' AND GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

The main sources of unrestricted income of £432,777 (2016: £342,406) is the trips and activities fund income of £375,783 (2016: £282,544), and Other Income of £56,994 (2016: £59,832).

Restricted funds of £0 (2016: £41,848) were credited from the Academic Fund (made up of charitable donations from parents and others).

Most of the Academy's income is obtained from the Education and Skill Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the 12 month period ended 31 August 2017 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also received grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice, "Accounting and Reporting by Charities" (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

Under the Charities SORP, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided to support staff, to a restricted fund. This results in reducing reserves shown in the total funds of the academy. It should be noted that this does not present the academy with any current liquidity problem. The employer contributions are currently being assessed and it is expected that they will increase to bring a further reduction in this pension deficit in future, although this may not be achieved until stock market investment values start to recover.

Overall, the Academy has a healthy balance sheet and cash flow and will be using the reserves to maintain the current assets and also to invest in the school in the form of additional resources and facilities both in the long term and short term in conjunction with the school development plan and school aims.

Continual review of the financial processes and controls, through both internal and external audit provides assurance of the integrity of the academies financial position. Additionally review of contracts and lease arrangements is an ongoing process in order to confirm both affordability and best value. The Trustees and Governors receive financial progress reports throughout the year and comparison against budgets submitted to the Education & Skills Funding Agency. The Trustees and Governors also review longer term financial models to assess, plan and agree what resources will most effectively fulfil the aims of the Trust and school.

Reserves Policy

The definition of reserves in the SORP 2015 is 'that part of a charity's income funds that is freely available for its general purposes'. This definition of reserves therefore normally excludes:

- * permanent endowment funds
- * expendable endowment funds
- * restricted income funds
- * any part of unrestricted funds not readily available for spending, specifically income funds which could only be realised by disposing of fixed assets held for charitable use.

'Reserves' are therefore the resources the Academy Trust has or can make available to spend for any or all of the Academy Trust's purposes once it has met its commitments and covered its other planned expenditure. More specifically 'reserves' are income which becomes available to the Academy Trust and is to be spent at the trustees' discretion in furtherance of any of the Academy Trust's objects (sometimes referred to as 'general purpose' income) but which is not yet spent, committed or designated (i.e. is 'free').

The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects, and the nature of the reserves. The Trustees and governors will keep this level of reserves under review at appropriate trustee, governors and committee meetings and aim to build and maintain the reserves, whilst in keeping with the principal object of the Academy Trust.

Total reserves at the end of the period amounted to £14,586,001 (2016: £13,068,050). This balance includes

INSIGNIS ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' AND GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

unrestricted funds (free reserves) of £390,074 (2016: £278,959), which is considered appropriate for the Academy Trust, and restricted funds of (£223,557) (2016: (£219,395)).

Restricted funds (reserves) held at the end of the accounting period 2016/17 have been created with two requirements in mind:

- A minimum, ongoing reserve of £50,000 to cover immediate and urgent needs.
- A balance sufficient to offset any in year deficit between revenue income and expenditure. The amount of designations made in relation to the unrestricted reserves totals to £nil (2016: £nil).

Within the reserves policy it should be noted that, because of accounting for the Local Government Pension Scheme (LGPS), the Academy Trust recognises a significant pension fund deficit totalling to £1,892,000 (2015: £2,050,000). This deficit is included within restricted funds. This does not lead to an immediate liability for this amount. Similarly, if there were a pension surplus included in the restricted fund this would not create an immediately realisable asset that can be released straight away and expended for the specific purposes of that fund.

It should also be noted that a surplus or deficit position of the pension scheme would generally result in a cash flow effect for the Academy Trust in the form of an increase or decrease in employers' pension contributions over a period of years. The Academy Trust thus takes this fact into account when reviewing current business plans and budgets, ascertaining how the pension costs might affect budgets in the future. On the basis that increased pension contributions should generally be met from the Academy Trust's budgeted annual income, whilst the deficit might not be eliminated, there should be no actual cash flow deficit on the fund or direct impact on the unrestricted reserves of the Academy Trust due to the recognition of the deficit.

Investment Policy

It should be noted that the Academy Trust has substantial power with regards to investments due to cash balances held. Investment policies are determined by the Board of Trustees. This ensures the level of funds the Academy Trust holds can cover any immediate expenditure, without exposing the Trust or its Academies to additional risk. Should any potential investment opportunity arise this would be escalated to the Board of Trustees for consideration. The most typical investments that are held by academies, are the Special Interest Deposit accounts which are immediately available to draw against. At 31 August 2017, no investments were held.

Principal Risks and Uncertainties

The Companies Act 2006 s417(3b) requires disclosure of the principal risks and uncertainties facing a company. The Academy is exposed to a number of financial risks including credit, cash flow and liquidity risks. Given the Academy's exposure to financial instruments being limited, the exposure principally relates to bank balances, cash and trade creditors, with limited trade (and other) debtors. The academy's system of internal controls ensures risk is minimal in these areas.

A risk register has been established and is updated regularly. Where appropriate, systems or procedures have been established to mitigate the risks the Academy faces. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects.

The Trustees and Governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The Trustees and Governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The academy has an effective system of internal financial controls and this is explained in more detail in the

INSIGNIS ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' AND GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Governance Statement.

It should also be noted that procedures are in place to ensure compliance with the health and safety regulations, pertaining to both staff and pupils.

Please refer to the Reserves Policy above for a description of the defined benefit pension scheme, in which there was a deficit at 31 August 2017.

Plans for Future Periods

The Trust hopes to increase the number of academies within its Multi-Academy Trust to three by the end of August 2018. This is in line with the original five-year business model that was set out to deliver a sustainable model of educational improvement.

Education intervention and support capacity will increase during 2017-2018 as the Headteacher of Sir Henry Floyd Grammar School (and CEO) steps down from his position at the school and is freed up to lead school improvement work across the three sites.

A Chief Operating Officer/Business Director has been appointed to lead the Trusts work in establishing a centralised procurement strategy to realise cost savings and increased effectiveness across the Trust. This postholder will also work alongside the CEO in recruiting other schools to join the Trust in the future with an initial target of building the Trust to five schools and three thousand students.

Funds Held as Custodian Trustee on Behalf of Others

The Academy Trust and its trustees did not act as custodian trustee during the current or previous period.

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, was approved by order of the board of trustees, as the company directors, on 18 December 2017 and signed on the board's behalf by:



Mrs Gaynor Bull
Chair of Trustees

INSIGNIS ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As trustees, we acknowledge we have overall responsibility for ensuring that Insignis 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 Trust and Local Governing Body has delegated the day-to-day responsibility to the CEO/Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Insignis Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Trust and Local Governing Body 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 Trust and Local Governing Body has formally met 7 times during the year. Attendance during the year at meetings of the Trust and Local Governing Body was as follows:

Trustee	Meetings attended	Out of a possible
S Box, Chief Executive Officer/Headteacher & Accounting Officer	7	7
G Bull, Chair of Trustees	7	7
D Griffiths	7	7
M Hardy	7	7
S Louis	7	7

Trustees may also serve on a number of committees of both the Board of Trustees, e.g. Audit Committee, or of the Local Governing Body, e.g. Resources Committee, Standards Committee as set out on the school website at - <http://www.sirhenryfloyd.bucks.sch.uk/about-us/trust-and-governing-body/>

Meetings of Insignis Academy Trust, SHFGS Local Governing Body and all committees are minuted and all Trustees and Governors receive the papers and minutes of all appropriate meetings. A summary of the main areas covered and decisions taken is produced and circulated to all Trustees and Governors as appropriate prior to the meeting of the IAT Board of Trustees and the SHFGS Local Governing Body.

The Audit Committee is also a sub-committee of the main Board of Trustees. Its purpose is to:

- * monitor the integrity of the financial statements;
- * review internal financial controls and review the Academy's internal control and risk management systems;
- * make recommendations to the Board of Trustees and Local Governing Body in relation to the appointment, re-appointment and removal of the external auditor and approve the remuneration and terms of engagement of the auditor; and
- * review the auditor's independence and objectivity.

No significant issues to note were dealt with during the period, and meetings of the committee were combined with the meetings of the Board of Trustees during the year.

REVIEW OF VALUE FOR MONEY

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

The Accounting Officer considers how the Trust's use of its resources has provided good value for money

INSIGNIS ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available.

He is confident that resources have been used prudently to further the strategic aims of the school and avoid waste and extravagance.

The aims are:

- To inspire and enable individuals to develop their capabilities to the highest possible levels.
- To provide learning experiences which are enjoyable, stimulating and challenging
- To provide an educational experience which leads to high standards of achievement, positive personal development and the realisation of the potential to make a significant contribution to society

The Accounting Officer for the academy trust has delivered improved value for money during the year as mentioned below:

Outcomes for students

The academy has seen continually improving examination results. At GCSE the proportion of GCSE entries graded A or A* has risen from 47% in 2009 to 68% in 2017. Our 2017 value added measure (Progress 8) is 0.64 indicating that our students typically gained over six GCSE grades higher than they would have done if they had made average progress.

The academy's International Baccalaureate Diploma results at 82% grades 7-5 were above the national average. Our results over the past five years probably ranks us among the top 20 IB state schools in the UK. The teaching of the course has been of a high quality – but has also been at a high cost. Reluctantly, for reasons of financial efficiency, the Trustees decided that Insignis could no longer afford to run this high status programme. The number of students who chose to study the IB were insufficient for it to be good value for money.

Five years ago we reduced the amount of teaching time given to sixth form courses as a cost saving measure. The quality of our exam results affirm our view that we have become more efficient in this area.

Similarly students who have been in receipt of Free School Meals and Pupil Premium funding have performed well. The school has refreshed its methodology for allocating extra Pupil Premium funding and reviewed expenditure on children with special educational needs. Disadvantaged students gained better results than non-disadvantaged students.

A large number of enrichment activities are arranged to develop the talents and social skills of our students. These are almost all done at no financial cost as a result of the goodwill and commitment of our staff.

Staffing decisions

Staffing decisions are benchmarked with other secondary schools in Buckinghamshire. Once a year data is collected on a range of spending issues from Headteacher salaries, non-contact time for teachers, pay ranges for teachers and support staff, etc. These figures are looked at regularly and every staffing decision is made with these in mind. We aim to be close to the average cost.

In particular our decision to reduce the number of teaching hours for A level classes mentioned above was made after making comparisons with other schools in the area.

Contracts

All contracts have been reviewed to ensure that they provide good value for money and are fit for purpose. Service Level Agreements are in place, for example, for:
Careers advice for students, HR advice, Payroll services, Health and Safety advice.

The selection process to inform admissions decisions is run by a contractor who was appointed as a result of a competitive tendering exercise.

INSIGNIS ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

Trust expansion

Throughout the year Insignis has been considering a range of options for expansion. Trustees have been careful to ensure that the time of Insignis staff was not committed to the planning and school improvement work until funding had been secured. Separate accounts have been kept for these capacity building activities

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of 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 Insignis Academy Trust for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Trust and Local Governing Body has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Trust and Local Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Trust and Local Governing Body.

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Trust and Local Governing Body;
- regular reviews by the IAT Board, Local Governing Body and Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has appointed Landau Baker independent auditors for the period to act as the Responsible Officer. Landau Baker's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems.

On a termly basis, Landau Baker reports to the Trust and Local Governing Body through the Audit Committee on the operation of the systems of control and on the discharge of the Trust. Where points are raised in the termly report, these are followed through, adjustments made as required and reported back to both the Audit Committee and Landau Baker. During the period 1st September 2016 to 31st August 2017 no material issues were raised as a result of internal audit work undertaken.

REVIEW OF EFFECTIVENESS

As Accounting Officer, the CEO/Headteacher has responsibility for reviewing the effectiveness of the system of

INSIGNIS ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

internal control. During the year in question the review has been informed by:

- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the senior leadership team within the 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 Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 18 December 2017 and signed on their behalf, by:



Mrs Gaynor Bull
Chair of Trustees



S Box, Headteacher
Accounting Officer & CEO/Headteacher

INSIGNIS ACADEMY TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Insignis 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 2016.

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 2016.

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.


Stephen Box
Accounting Officer & CEO/Headteacher

Date: 18 December 2017

INSIGNIS ACADEMY TRUST
(A company limited by guarantee)

STATEMENTS OF TRUSTEES AND GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2017

The Trustees (who act as governors of Insignis Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Strategic report, 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 the 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 of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation..

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 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 18 December 2017 and signed on its behalf by:



Mrs Gaynor Bull
Chair of Trustees

INSIGNIS ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
INSIGNIS ACADEMY TRUST**

OPINION

We have audited the financial statements of Insignis Academy Trust for the year ended 31 August 2017 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

This report is made solely to the Insignis Academy Trust 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 Insignis Academy Trust 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 Insignis Academy Trust for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

BASIS OF OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in

INSIGNIS ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
INSIGNIS ACADEMY TRUST**

our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

OPINION ON OTHER 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 Strategic report for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the 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 our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the 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 financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remunerations specified by law 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 Governors' responsibilities statement, the Governors (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INSIGNIS ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
INSIGNIS ACADEMY TRUST

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. The description forms part of our Auditor's report.

Michael Durst (Senior statutory auditor)
for and on behalf of
Landau Baker Limited
Chartered Accountants
Statutory Auditors
Mountcliff House
154 Brent Street
London
NW4 2DR
18 December 2017

INSIGNIS ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO INSIGNIS
ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 31 October 2011 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Insignis Academy Trust during the year 1 September 2016 to 31 August 2017 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 Insignis Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Insignis Academy Trust and the 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 Insignis Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF INSIGNIS ACADEMY TRUST'S ACCOUNTING OFFICER AND THE
REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Insignis Academy Trust's funding agreement with the Secretary of State for Education dated 01 July 2011, and the Academies Financial Handbook extant from 1 September 2016, 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 2016 to 2017. 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 year 1 September 2016 to 31 August 2017 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 2016 to 2017 issued by the 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's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Review and verification of evidence supporting the Accounting Officer's statement on regularity, propriety and compliance.
- Review of the Academy Trust's internal control procedures, specifically in respect to regularity, propriety and compliance.
- Focussed testing, driven by our audit of the financial statements, principally checking that:
 - * Grant income received has been expensed on prescribed expenditure; and
 - * Expenditure has been appropriately authorised in accordance with the procedures outlined in the

INSIGNIS ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO INSIGNIS
ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)**

- Academy Trust's financial procedures manual.
- Discussions and written representations from the Accounting Officer and other key management personnel (where applicable).

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 year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

Landau Baker Limited

Chartered Accountants
Statutory Auditors

Mountcliff House
154 Brent Street
London
NW4 2DR

INSIGNIS ACADEMY TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:						
Donations and capital grants	2	-	-	1,736,962	1,736,962	66,503
Charitable activities	3	-	5,251,330	-	5,251,330	4,957,483
Other trading activities	4	432,777	34,765	-	467,542	386,212
TOTAL INCOME		<u>432,777</u>	<u>5,286,095</u>	<u>1,736,962</u>	<u>7,455,834</u>	<u>5,410,198</u>
EXPENDITURE ON:						
Charitable activities		<u>321,662</u>	<u>5,477,257</u>	<u>483,964</u>	<u>6,282,883</u>	<u>6,032,957</u>
TOTAL EXPENDITURE	5	<u>321,662</u>	<u>5,477,257</u>	<u>483,964</u>	<u>6,282,883</u>	<u>6,032,957</u>
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		111,115	(191,162)	1,252,998	1,172,951	(622,759)
Actuarial gains/(losses) on defined benefit pension schemes	19	-	345,000	-	345,000	(822,000)
NET MOVEMENT IN FUNDS		<u>111,115</u>	<u>153,838</u>	<u>1,252,998</u>	<u>1,517,951</u>	<u>(1,444,759)</u>
RECONCILIATION OF FUNDS:						
Total funds brought forward		<u>278,959</u>	<u>(2,269,395)</u>	<u>15,058,486</u>	<u>13,068,050</u>	<u>14,512,809</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>390,074</u></u>	<u><u>(2,115,557)</u></u>	<u><u>16,311,484</u></u>	<u><u>14,586,001</u></u>	<u><u>13,068,050</u></u>

The notes on pages 26 to 45 form part of these financial statements.

INSIGNIS ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07657307

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	11		16,303,497		15,058,486
CURRENT ASSETS					
Debtors	12	313,403		182,218	
Cash at bank and in hand		776,347		715,778	
		<u>1,089,750</u>		<u>897,996</u>	
CREDITORS: amounts falling due within one year	13	<u>(661,827)</u>		<u>(666,614)</u>	
NET CURRENT ASSETS			<u>427,923</u>		<u>231,382</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>16,731,420</u>		<u>15,289,868</u>
CREDITORS: amounts falling due after more than one year	14		<u>(253,419)</u>		<u>(171,818)</u>
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>16,478,001</u>		<u>15,118,050</u>
Defined benefit pension scheme liability	19		<u>(1,892,000)</u>		<u>(2,050,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>14,586,001</u></u>		<u><u>13,068,050</u></u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	15	(223,557)		(219,395)	
Restricted fixed asset funds	15	<u>16,311,484</u>		<u>15,058,486</u>	
Restricted income funds excluding pension liability		<u>16,087,927</u>		<u>14,839,091</u>	
Pension reserve		<u>(1,892,000)</u>		<u>(2,050,000)</u>	
Total restricted income funds			<u>14,195,927</u>		<u>12,789,091</u>
Unrestricted income funds	15		<u>390,074</u>		<u>278,959</u>
TOTAL FUNDS			<u><u>14,586,001</u></u>		<u><u>13,068,050</u></u>

The financial statements on pages 23 to 45 were approved by the Trustees, and authorised for issue, on 18 December 2017 and are signed on their behalf, by:



Mrs Gaynor Bull
Chair of Trustees

INSIGNIS ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by operating activities	17	60,569	39,783
Change in cash and cash equivalents in the year		60,569	39,783
Cash and cash equivalents brought forward		715,778	675,995
Cash and cash equivalents carried forward		776,347	715,778

INSIGNIS ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Insignis Academy Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy 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.

INSIGNIS ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.3 Income

All income is recognised once the academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities incorporating income and expenditure account 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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account 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 when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where receipt is probable and it is measurable.

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

1.4 Expenditure

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

Expenditure on charitable activities are costs incurred on the academy's educational operations, including support costs and those costs relating to the governance of the academy appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

INSIGNIS ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.5 Tangible fixed assets and depreciation

All assets costing more than £5,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment. ICT equipment is capitalised at £5,000 or more within one acquisition.

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 incorporating income and expenditure account and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account. 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, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Long Term Leasehold Property	-	5 to 50 years
Fixtures and fittings	-	5 years
Computer equipment	-	3 years

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

1.6 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.7 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.8 Liabilities and provisions

Liabilities and provisions 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 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 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.

INSIGNIS ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.9 Financial instruments

The academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy 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 12. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 13 and 14. 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 instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

1.10 Taxation

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

1.11 Pensions

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments 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 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. As stated in note 19, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

INSIGNIS ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

The LGPS is a funded 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 incorporating income and expenditure account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.12 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Department for Education 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 and include grants from the Department for Education.

1.13 Critical accounting estimates and areas of judgment

Estimates and judgments 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 19, 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 August 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. 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.

INSIGNIS ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.14 Agency Arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from the EFA. Payments received from the EFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 26.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations & capital grants	-	-	1,736,962	1,736,962	66,503
<i>Total 2016</i>	-	-	66,503	66,503	

INSIGNIS ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

INSIGNIS ACADEMY TRUST

	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants			
General Annual Grant (GAG)	5,069,629	5,069,629	4,790,342
Pupil Premium	53,678	53,678	52,559
Bursary Fund	18,216	18,216	16,900
Other ESFA Grant	29,397	29,397	33,088
Rates Relief ESFA	21,909	21,909	19,413
	<u>5,192,829</u>	<u>5,192,829</u>	<u>4,912,302</u>
Other government grants			
SEN Funding	55,440	55,440	45,181
	<u>55,440</u>	<u>55,440</u>	<u>45,181</u>
Other funding			
Other Income	3,061	3,061	-
	<u>3,061</u>	<u>3,061</u>	<u>-</u>
	<u>5,251,330</u>	<u>5,251,330</u>	<u>4,957,483</u>
Total 2016	<u>4,957,483</u>	<u>4,957,483</u>	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Letting Income	35,823	-	35,823	40,295
Music Fee Income	-	5,181	5,181	6,131
Bank interest Income	2,422	-	2,422	1,907
Other Income	18,749	-	18,749	17,660
Trips and activities fund income	375,783	-	375,783	282,544
Staff Cover Reimbursement	-	18,405	18,405	16,068
Exam Fee Income	-	11,179	11,179	21,607
	<u>432,777</u>	<u>34,765</u>	<u>467,542</u>	<u>386,212</u>
Total 2016	<u>342,406</u>	<u>43,806</u>	<u>386,212</u>	

INSIGNIS ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

5. EXPENDITURE

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Educational Operations:					
Direct costs	3,482,209	-	768,246	4,250,455	4,010,868
Support costs	1,002,624	278,976	750,828	2,032,428	2,013,664
	<u>4,484,833</u>	<u>278,976</u>	<u>1,519,074</u>	<u>6,282,883</u>	<u>6,024,532</u>
Total 2016	<u>4,243,417</u>	<u>335,831</u>	<u>1,453,709</u>	<u>6,032,957</u>	

6. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2017 £	Support costs 2017 £	Total 2017 £	Total 2016 £
Educational Operations	4,250,455	2,032,428	6,282,883	6,032,957
Total 2016	<u>4,010,868</u>	<u>2,022,089</u>	<u>6,032,957</u>	

Analysis of direct costs

	Educational Operations £	Total 2017 £	Total 2016 £
Educational Supplies	114,861	114,861	112,105
Staff Development	27,408	27,408	34,389
Examination Fee	121,602	121,602	114,064
Other direct costs	102,371	102,371	104,790
Trips and Activities Fund Expenditure	321,672	321,672	311,023
Recruitment and Support	16,406	16,406	22,397
Agency Cover	74,164	74,164	105,618
Educational Consultancy	63,922	63,922	74,072
Wages and salaries	2,700,846	2,700,846	2,511,597
National insurance	304,141	304,141	210,309
Pension cost	403,062	403,062	410,504
	<u>4,250,455</u>	<u>4,250,455</u>	<u>4,010,868</u>
At 31 August 2016	<u>4,010,868</u>	<u>4,010,868</u>	

INSIGNIS ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

6. ANALYSIS OF EXPENDITURE BY ACTIVITIES (continued)

Analysis of support costs

	Educational Operations £	Total 2017 £	Total 2016 £
Staff costs	996,913	996,913	1,005,389
Depreciation	483,964	483,964	519,323
Other direct costs	83,272	83,272	81,956
Maintenance of Premises and Equipment	128,430	128,430	109,656
Cleaning	128,506	128,506	123,032
Rent and Rates	22,035	22,035	21,187
Security & Transport	8,791	8,791	8,726
Insurance	24,982	24,982	28,149
Bank Interest & Charges	389	389	430
Other Support Costs	48,518	48,518	44,034
Support Staff Costs	17,769	17,769	-
Governance Costs	8,270	8,270	8,425
Other Staff Costs	8,285	8,285	-
Technology Costs	72,304	72,304	71,782
	<u>2,032,428</u>	<u>2,032,428</u>	<u>2,022,089</u>
At 31 August 2016	<u>2,022,089</u>	<u>2,022,089</u>	

7. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets: - owned by the charity	<u>483,964</u>	<u>519,323</u>

INSIGNIS ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

8. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	3,322,279	3,218,856
Social security costs	355,194	254,394
Operating costs of defined benefit pension schemes	727,489	664,549
	<u>4,404,962</u>	<u>4,137,799</u>
Apprenticeship levy	707	-
Supply teacher costs	74,164	105,618
Staff restructuring costs	5,000	-
	<u><u>4,484,833</u></u>	<u><u>4,243,417</u></u>

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

	2017 No.	2016 No.
Senior Management	5	5
Teachers	69	66
Support Staff	34	37
	<u>108</u>	<u>108</u>

Average headcount expressed as a full time equivalent:

	2017 No.	2016 No.
Senior Management	5	5
Teachers	61	58
Support Staff	29	31
	<u>95</u>	<u>94</u>

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

	2017 No.	2016 No.
In the band £60,001 - £70,000	2	2
In the band £90,001 - £100,000	0	1
In the band £100,001 - £200,000	1	0

The above employees all participated in the Teachers' Pension Scheme in the current and prior year.

The key management personnel of the academy comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy was £451,718.

INSIGNIS ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

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 other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2017 £'000	2016 £'000
S Box - CEO/Headteacher	Remuneration	100-105	95-100
	Pension contributions paid	15-20	15-20

During the year ended 31 August 2017, no Trustees received any reimbursement of expenses (2016 - £nil).

10. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. In the current period, the academy is with the Risk Protection Arrangement. The cost of this insurance is £25 per pupil per annum, which can not be divided into specific cover sections and the total costs for the year was £23,360 and this amount is included in the total of all insurance costs.

11. TANGIBLE FIXED ASSETS

	Long Term Leasehold Property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 September 2016	16,664,874	509,379	187,763	17,362,016
Additions	1,584,368	78,477	66,138	1,728,983
At 31 August 2017	18,249,242	587,856	253,901	19,090,999
Depreciation				
At 1 September 2016	1,667,714	475,436	160,380	2,303,530
Charge for the year	430,295	29,286	24,391	483,972
At 31 August 2017	2,098,009	504,722	184,771	2,787,502
Net book value				
At 31 August 2017	16,151,233	83,134	69,130	16,303,497
At 31 August 2016	14,997,160	33,943	27,383	15,058,486

INSIGNIS ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

12. DEBTORS

	2017	2016
	£	£
Trade debtors	7,277	428
Other debtors	158,148	85,078
Prepayments and accrued income	147,978	96,712
	<u>313,403</u>	<u>182,218</u>

13. CREDITORS: Amounts falling due within one year

	2017	2016
	£	£
Trade creditors	105,137	121,970
Other taxation and social security	81,846	77,351
Other creditors	137,229	96,873
Accruals and deferred income	337,615	370,420
	<u>661,827</u>	<u>666,614</u>

	2017	2016
	£	£
Deferred income		
Deferred income at 1 September 2016	322,865	32,957
Resources deferred during the year	31,804	322,865
Amounts released from previous years	(44,946)	(32,957)
Deferred income at 31 August 2017	<u>309,723</u>	<u>322,865</u>

At the balance sheet date the academy trust was holding funds received in advance for the ESFA Rates grant of £13,300 (2016: £12,408), ESFA 16-19 bursary grant of £1,641 (2016: £3,645) and trips and activities income of £61,963 (2016: £45,049), ESFA sponsorship grant of £232,819 (2016: £261,712).

14. CREDITORS:

	2017	2016
	£	£
Other loans	<u>253,419</u>	<u>171,818</u>

INSIGNIS ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

14. CREDITORS:
(continued)

Creditors include amounts not wholly repayable within 5 years as follows:

	2017 £	2016 £
Repayable by instalments	<u>253,419</u>	<u>171,818</u>

At 31 August 2017, the balance owed to Salix Finance (in partnership with the Education & Skills Funding Agency) was £164,844 (2016: £194,677), of which £135,012 (2016: £171,818) is due after more than one year from the balance sheet date. The loan balance funded capital works undertaken and is repayable in biannual instalments, which will be deducted from the academy's GAG funding.

At 31 August 2017, the balance owed on the Capital Improvement Loan was £150,000, of which £118,407 is due after more than one year from the balance sheet date. The loan balance funded a new building project and is repayable in monthly instalments, which will be deducted from the academy's GAG funding.

INSIGNIS ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

15. STATEMENT OF FUNDS

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted funds					
General Funds - all funds	278,959	432,777	(321,662)	-	390,074
Restricted funds					
Other Restricted funds	(219,395)	5,286,095	(5,290,257)	-	(223,557)
Pension reserve	(2,050,000)	-	(187,000)	345,000	(1,892,000)
	<u>(2,269,395)</u>	<u>5,286,095</u>	<u>(5,477,257)</u>	<u>345,000</u>	<u>(2,115,557)</u>
Restricted fixed asset funds					
Restricted Fixed Asset Funds - all funds	15,058,486	1,736,962	(483,964)	-	16,311,484
Total restricted funds	<u>12,789,091</u>	<u>7,023,057</u>	<u>(5,961,221)</u>	<u>345,000</u>	<u>14,195,927</u>
Total of funds	<u>13,068,050</u>	<u>7,455,834</u>	<u>(6,282,883)</u>	<u>345,000</u>	<u>14,586,001</u>

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2013 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2016 £
Unrestricted funds					
General Funds - all funds	287,661	342,406	(351,108)	-	278,959
	<u>287,661</u>	<u>342,406</u>	<u>(351,108)</u>	<u>-</u>	<u>278,959</u>
Restricted funds					
Other Restricted funds	(47,229)	5,001,289	(5,173,455)	-	(219,395)
Pension reserve	(1,119,000)	-	(109,000)	(822,000)	(2,050,000)
	<u>(1,166,229)</u>	<u>5,001,289</u>	<u>(5,282,455)</u>	<u>(822,000)</u>	<u>(2,269,395)</u>

INSIGNIS ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

15. STATEMENT OF FUNDS (continued)

Restricted fixed asset funds

Restricted Fixed Asset Funds - all funds	15,391,377	66,503	(399,394)	-	15,058,486
	<u>15,391,377</u>	<u>66,503</u>	<u>(399,394)</u>	<u>-</u>	<u>15,058,486</u>
Total restricted funds	<u>14,225,148</u>	<u>5,067,792</u>	<u>(5,681,849)</u>	<u>(822,000)</u>	<u>12,789,091</u>
Total of funds	<u>14,512,809</u>	<u>5,410,198</u>	<u>(6,032,957)</u>	<u>(822,000)</u>	<u>13,068,050</u>

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

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes.

Restricted general funds are resources for educational purposes.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	16,303,497	16,303,497
Current assets	390,074	691,689	7,987	1,089,750
Creditors due within one year	-	(661,827)	-	(661,827)
Creditors due in more than one year	-	(253,419)	-	(253,419)
Provisions for liabilities and charges	-	(1,892,000)	-	(1,892,000)
	<u>390,074</u>	<u>(2,115,557)</u>	<u>16,311,484</u>	<u>14,586,001</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	15,058,486	15,058,486
Current assets	278,959	619,037	-	897,996
Creditors due within one year	-	(666,614)	-	(666,614)
Creditors due in more than one year	-	(171,818)	-	(171,818)
Provisions for liabilities and charges	-	(2,050,000)	-	(2,050,000)
	<u>278,959</u>	<u>(2,269,395)</u>	<u>15,058,486</u>	<u>13,068,050</u>

INSIGNIS ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

17. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2017 £	2016 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	1,172,951	(622,759)
Adjustment for:		
Depreciation charges	483,972	519,323
Fixed assets additions	(1,728,983)	(186,432)
(Increase)/decrease in debtors	(131,185)	66,709
(Decrease)/increase in creditors	(36,377)	176,404
Salix Finance Loan	150,000	-
Salix Loan repaid	-	(22,462)
Defined benefit pension scheme finance cost	37,000	109,000
Increase on longterm loan	113,191	-
Net cash provided by operating activities	60,569	39,783

18. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash in hand	776,347	715,778
Total	776,347	715,778

19. PENSION COMMITMENTS

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

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

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, 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.

INSIGNIS ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

19. PENSION COMMITMENTS (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 (currently 14.1%)
- 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%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £402,218 (2016 - £389,520).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £224,000 (2016 - £222,000), of which employer's contributions totalled £176,000 (2016 - £175,000) and employees' contributions totalled £48,000 (2016 - £47,000). The agreed contribution rates for future years are 22.8% for employers and 5.5% to 7.2% 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.
Buckinghamshire Country Council Pension Fund

	2017	2016
Discount rate for scheme liabilities	2.60 %	2.20 %
Rate of increase in salaries	4.20 %	4.10 %
Rate of increase for pensions in payment / inflation	2.70 %	2.30 %

INSIGNIS ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

19. PENSION COMMITMENTS (continued)

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

	2017	2016
Retiring today		
Males	23.9	23.8
Females	26.0	26.2
Retiring in 20 years		
Males	26.2	26.1
Females	28.3	28.5

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Gilts	174,000	185,000
UK Equities	173,000	133,000
Overseas Equities	724,000	535,000
Property	132,000	116,000
Cash and other liquid assets	61,000	47,000
Other bonds	234,000	173,000
Other assets	191,000	123,000
Total market value of assets	<u>1,795,000</u>	<u>1,422,000</u>

The actual return on scheme assets was £189,000 (2016 - £184,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2017 £	2016 £
Current service cost	<u>(319,000)</u>	<u>(235,000)</u>
Actual return on scheme assets	<u>189,000</u>	<u>184,000</u>

INSIGNIS ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

19. PENSION COMMITMENTS (continued)

Movements in the present value of the defined benefit obligation were as follows:

	2017 £	2016 £
Opening defined benefit obligation	3,472,000	2,173,000
Current service cost	319,000	235,000
Interest cost	76,000	87,000
Employee contributions	48,000	47,000
Change in financial assumptions	(158,000)	960,000
Effect of non-routine settlements	(70,000)	(30,000)
	<u>3,687,000</u>	<u>3,472,000</u>
Closing defined benefit obligation	<u>3,687,000</u>	<u>3,472,000</u>

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

	2017 £	2016 £
Opening fair value of scheme assets	1,422,000	1,054,000
Interest income	33,000	46,000
Actuarial gains	187,000	138,000
Employer contributions	176,000	175,000
Employee contributions	48,000	47,000
Admin	(1,000)	(8,000)
	<u>1,795,000</u>	<u>1,422,000</u>
Closing fair value of scheme assets	<u>1,795,000</u>	<u>1,422,000</u>

20. OPERATING LEASE COMMITMENTS

At 31st August 2016 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
Amounts payable:		
Within 1 year	28,170	33,806
Between 1 and 5 years	51,221	42,696
	<u>79,391</u>	<u>76,502</u>
Total	<u>79,391</u>	<u>76,502</u>

21. MEMBERS' LIABILITY

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

INSIGNIS ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

22. RELATED PARTY TRANSACTIONS

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

No related party transactions took place during the period other than those previously disclosed in the financial statements.