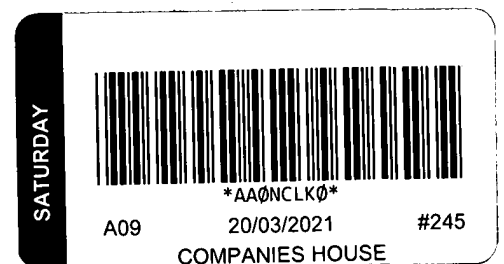


Company Registration Number: 07781921 (England & Wales)

INSPIRE ACADEMY TRUST
(A company limited by guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020



INSPIRE ACADEMY TRUST
(A company limited by guarantee)

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INSPIRE ACADEMY TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Geraint Davies (Chair, Southampton City College) Sarah Stannard (Principal, Southampton City College) Hanif Brora (Chair of IAT Trustees) Southampton City College
Trustees	Hanif Brora, Chair Kevin George, Vice Chair Sarah Stannard, CEO
Company registered number	07781921
Company name	Inspire Academy Trust
Principal and registered office	Southampton City College St Mary Street Southampton SO14 1AR
Company secretary	Lily Garth
Independent auditors	James Cowper Kreston Chartered Accountants and Statutory Auditor 9th floor The White Building 1-4 Cumberland Place Southampton SO15 2NP
Bankers	Barclays Wytham Court 11 West Way Oxford OX2 OJB
Solicitors	Rollits LLP Citadel House 58 High Street Hull Yorkshire HU1 1QE

INSPIRE ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Directors present their annual report together with the financial statements and auditors' report of the charitable company for the year 1st September 2019 to 31st August 2020. The annual report serves the purposes of both a trustees' report, and a directors' report under company law. The Trust was set up to operate academies (studio schools) for pupils aged between 14 and 19. In August 2019 the Trust's sole, remaining school (the IOW Studio School) closed. The Trust did not operate any schools through the 2019/20 financial year.

Structure, Governance and Management

Constitution

Inspire Academy Trust (IAT) is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The Trustees are also the Directors of the charitable company for the purpose of company law.

Details of the trustees who served throughout the period are included in the Reference and Administrative Details on page 2.

Members' liability

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

Trustees' Indemnities

The Trust has a Risk Protection Arrangement (RPA) with the Department for Education (DfE) and within that agreement, all trustees have unlimited employers' and professional insurance cover.

Methods of Recruitment and Appointment or Election of Trustees

The Trust Members recruit and appoint the Trustees to meet the skills and representation needs of the Trust and the communities it serves. Recruitment is via a variety of methods depending on the nature of the vacancy, including, but not limited to, advertisement and targeted searches.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new trustees and school governors depends on their existing experience. Where necessary, induction provides training on charity and educational legal and financial matters. All new trustees are offered the opportunity to tour the school and to meet with staff and students and have access to all relevant documents that they will need to undertake their roles. Training is regularly offered to trustees and governors throughout the year.

Organisation Structure

The Trust Directors met three times during the year. The Finance and Audit Committee met separately in December 2019. Directors' attendance at these meetings was 100%. Details of the rules relating to the number of directors, their eligibility, appointment, reappointment and removal/retirement are set out in the Articles of Association registered with Companies House.

Arrangements for pay and remuneration of key management personnel

The arrangements for the setting of pay and remuneration are set out in the Trust's scheme of delegation and governance. Since the CEO and Finance Officer are employed by Southampton City College, their pay is set by the sponsor organisation.

Related Parties and other Connected Charities and Organisations

The Inspire Academy Trust was established as a result of an approved application made by Southampton City College to act as the sponsoring body for new studio schools.

The College, acting as sponsor, has contractual arrangements with the Trust for various support services. The Trust's CEO/Accounting Officer is also the College's CEO/Accounting Officer. There is an overlap in membership of the College Board and the Members and Directors of the Trust. Apart from the CEO, no other City College Board Member who is also a Trust Director receives any remuneration from either the College or

INSPIRE ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

the Trust. The Clerk to Southampton City College is the Company Secretary of the Trust. The Trust's Finance Officer is also the Finance Manager of Southampton City College. There were no other known related party relationships in the period under review.

Objectives and Activities

Objects and Aims

The principal activity of the Trust is to advance for the public benefit, education in the UK, by establishing and developing a school offering a broad curriculum.

Objectives, Strategies and Activities

The principal object and activity of the charitable company is the operation of the Inspire Academy Trust to provide education for pupils between the ages of 14 and 19 with an emphasis on business and enterprise.

Public Benefit

The Trust is an exempt charity and as such is regulated by the Education and Skills Funding Agency (ESFA) on behalf of the Charity Commission for England and Wales. The Trust's objectives are to advance education for the public benefit. When setting objectives and planning activities; the trustees' give careful consideration to the Charity Commission's general guidance on public benefit.

Strategic Report

Closure

Due to the ongoing financial performance of the IOW Studio School and its inability to establish a viable sixth form, the Trust applied to the Department for Education to close it. Permission was granted and the school closed at the end of the academic year 2018/19.

It was expected that the Funding Agreement for the school would be terminated by 31st August 2019, which would have resulted in ending the Trust's lease with the Isle of Wight Council for the school building with immediate effect. However, the DfE decided not to proceed with course of action, but explored various options during the financial year. The DfE took over responsibility for the costs and running of the school building on 30th August 2019, releasing the Trust from ongoing costs relating to the building. As a result the Trust was still the lessee of the building at year end 31st August 2020.

In autumn 2020 the DfE instructed the Trust to surrender the lease of the IOW Studio School building to the Isle of Wight Council, this was completed on 8th December 2020.

As at 21 January 2021 the DfE had not signed the Termination of the Funding Agreement.

Going Concern

As the Trust's final school closed in August 2019, the Trust will also close, and as such the accounts are not prepared on a going concern basis. Consequently Tangible Assets are classified as Current Assets again this year. No other amendments or restatement of the accounts in respect of going concern have been made.

Financial Review

The Trust delivered an operating deficit of £5k. Retained restricted reserves decreased to £25k. The pension liability of £223k that was brought forward at the beginning of the year was paid in full during the year.

Reserves Policy

Given the decision to close, the results for the year and the forecast for the coming year, there will be no retained restricted reserves held at time of closure.

Investment Policy

The Trust previously sought to maximise the use of the funds at its disposal by using a short term high interest deposit account with its' current bank to maximise the return on its balances whilst retaining security of these funds at all times. Any alternative investments were approved by the Trust Board before committing funds. This is no longer valid as the Trust has no school.

INSPIRE ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Principal Risks and Uncertainties


The principal risk to the Trust is that the Termination of Funding agreement is not signed leading to further delay in winding up the Trust.

Statement as to disclosure to our auditors

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 them aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 21 January 2021 and signed on its behalf
by:



Hanif Brora
Chair

INSPIRE ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Inspire 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.

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The Board of Trustees has delegated the day-to-day responsibility to the CEO, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Inspire Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 3 times during the year.

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

Trustee	Meetings attended	Out of a possible
Hanif Brora, Chair	3	3
Kevin George, Vice Chair	3	3
Sarah Stannard, CEO	3	3

The Trust has a Finance and Audit Committee. Its purpose is to provide assurance to the Board on financial and other internal controls. Due to the current size of the Trust and the number of trustees, all Trustees serve on the Finance and Audit Committee.

Review of value for money

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

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

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Inspire Academy Trust for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

INSPIRE ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance and audit committee of reports which indicate financial performance against forecasts and of major purchase plans, capital works and expenditure plans;
- 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. Currently the Trust receives its financial, IT, HR, procurement and estates management support services from Southampton City College. In light of the fact that the College has a comprehensive internal audit function which covers the key control areas affecting the Trust, where no significant matters have arisen, the trustees have decided that currently no additional internal audit function is required at present, however this matter will be kept under regular review.

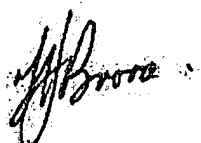
Review of effectiveness

As accounting officer, the CEO has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

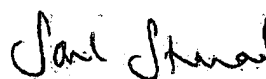
- on discharge of the Board of Trustees financial decisions to help the committee consider actions and assess year on year progress
- the work of the internal auditor;
- the work of the external auditors;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the 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 21 January 2021 and signed on their behalf by:



Hanif Brora
Chair of Trustees



Sarah Stannard
Accounting Officer

INSPIRE ACADEMY TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Inspire Academy Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2020.

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.



Sarah Stannard
Accounting Officer

Date: 21 January 2021

INSPIRE ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

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

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

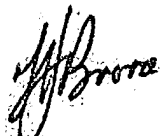
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from 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 and signed on its behalf by:



Hanif Brora
Chair

Date 21 January 2021

INSPIRE ACADEMY TRUST
(A company limited by guarantee)

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

Opinion

We have audited the financial statements of Inspire Academy Trust (the 'academy trust') for the year ended 31 August 2020 which comprise the Statement of financial activities, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2020 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 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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.

Emphasis of matter

We draw attention to note 1.2 in the financial statements which explains that the school held within the Academy Trust has closed and the Trustees expect to close the Academy Trust within at least one year from the date of authorisation for issue of the financial statements. The Trustees therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly the financial statements have been prepared on a basis other than going concern as described in note 1.2. Our opinion is not modified in this respect of this matter.

INSPIRE ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
INSPIRE ACADEMY TRUST (CONTINUED)**

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 Auditors' report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other 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 the financial year 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 Trust 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' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

INSPIRE ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
INSPIRE ACADEMY TRUST (CONTINUED)**

Responsibilities of trustees

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

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

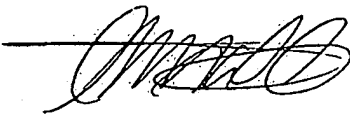
Auditors' responsibilities for the audit of the financial statements

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 Auditors' 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. This description forms part of our Auditors' report.

Use of our report

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



Louise Hallsworth FCA (Senior statutory auditor)

for and on behalf of
James Cowper Kreston

Chartered Accountants and Statutory Auditor

9th floor
The White Building
1-4 Cumberland Place
Southampton
Hampshire
SO15 2NP

INSPIRE ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO INSPIRE
ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 11 September 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Inspire Academy Trust during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Inspire Academy Trust's funding agreement with the Secretary of State for Education dated 1 September 2018, and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 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 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

INSPIRE ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO INSPIRE
ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



James Cowper Kreston
Chartered Accountants and Statutory Auditor
9th floor
The White Building
1-4 Cumberland Place
Southampton
Hampshire
SO15 2NP

Date: 22/01/2021

INSPIRE ACADEMY TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Income from:					
Charitable activities	3	-	-	-	737
Total income		<u>-</u>	<u>-</u>	<u>-</u>	<u>737</u>
Expenditure on:					
Charitable activities	4	5	-	5	1,807
Total expenditure		<u>5</u>	<u>-</u>	<u>5</u>	<u>1,807</u>
Net movement in funds before other recognised gains/(losses)		<u>(5)</u>	<u>-</u>	<u>(5)</u>	<u>(1,070)</u>
Other recognised gains/(losses):					
Cessation actuarial adjustment		-	-	-	(206)
Net movement in funds		<u>(5)</u>	<u>-</u>	<u>(5)</u>	<u>(1,276)</u>
Reconciliation of funds:					
Total funds brought forward	12	30	1,481	1,511	2,787
Net movement in funds		(5)	-	(5)	(1,276)
Total funds carried forward	12	<u>25</u>	<u>1,481</u>	<u>1,506</u>	<u>1,511</u>

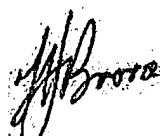
The notes on pages 17 to 29 form part of these financial statements.

INSPIRE ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07781921

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £000	2019 £000
Current assets			
Tangible assets	9	1,481	1,481
Debtors	10	11	1
Cash at bank and in hand		53	346
		<u>1,545</u>	<u>1,828</u>
Creditors: amounts falling due within one year	11	(39)	(94)
Net current assets		<u>1,506</u>	<u>1,734</u>
Total assets less current liabilities		<u>1,506</u>	<u>1,734</u>
Defined benefit pension scheme asset / liability		-	(223)
Total net assets		<u><u>1,506</u></u>	<u><u>1,511</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	12	1,481	1,481
Restricted income funds	12	25	253
Pension reserve	12	-	(223)
Total restricted funds	12	<u>1,506</u>	<u>1,511</u>
Total funds		<u><u>1,506</u></u>	<u><u>1,511</u></u>

The financial statements on pages 14 to 29 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



Hanif Brora
Chair

Date: 21 January 2021

The notes on pages 17 to 29 form part of these financial statements.

INSPIRE ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £000	2019 £000
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	14	(293)	2
Change in cash and cash equivalents in the year		(293)	2
Cash and cash equivalents at the beginning of the year		346	344
Cash and cash equivalents at the end of the year	15, 16	53	346

INSPIRE ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

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 historic 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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Inspire Academy Trust is a public benefit entity under FRS102 and has therefore applied the relevant public benefit requirement of FRS102. Inspire Academy Trust meets the definition of a public benefit entity under FRS 102.

The financial statements are presented in sterling which is also the functional currency of the Academy Trust. Monetary amounts in these financial statements are rounded to the nearest whole £1,000 except where otherwise indicated.

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 Trust 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.

The Trustees have concluded that the Academy Trust is not a going concern as the Trustees expect to close the Academy Trust within at least one year from the date of authorisation for issue of the financial statements. These financial statements have therefore been prepared on a basis other than that of the going concern basis. The Trustees consider these financial statements represent the net realisable value of assets and full liabilities that will be incurred to complete the closure. Following the decision to close the academy in August 2019 the value of the Leasehold land and buildings crystallised and is the value held on the balance sheet.

1.3 Income

No incoming resources were recognised in the year by the Academy Trust.

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.

Governance costs

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements including audit, strategic management, governors' meetings and reimbursed expenses. Termination benefits are recognised immediately as an expense when the Academy Trust is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

All resources expended are inclusive of irrecoverable VAT.

INSPIRE ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.5 Tangible assets

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

Following the decision to close the academy in August 2019 the value of the Leasehold land and buildings was crystallised at that date.

1.6 Liabilities

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

1.7 Provisions

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

Provisions are measured at the best estimate of the amounts required to settle the obligation.

1.8 Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.9 Pensions

With the closure of the Studio School and the last employee leaving the scheme, the Local Government Pension Scheme ("LGPS") valuation for 31st August 2019 was carried out on a cessation basis and represented the value of additional funding the Trust needs to provide to pay for its share of the deficit. This amount was paid resulting in no outstanding Pension commitment.

INSPIRE ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.10 Financial instruments

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement bases 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 10. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 11. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.11 Fund accounting

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

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

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

2. Critical accounting estimates and areas of 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.

The Academy had no pupils in the year and the Trustees expects to close the academy within 12 months of signing these accounts. The Trustees consider these financial statements represent the net realisable value of assets and full liabilities that will be incurred to complete the closure. Following the decision to close the academy in August 2019 the value of the Leasehold land and buildings and pension fund liability crystallised.

INSPIRE ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

3. Funding for the Academy Trust's educational operations

	Total funds 2020 £000	Total funds 2019 £000
DfE/ESFA grants		
General Annual Grant (GAG)	-	386
Other DfE/ ESFA grants	-	344
	<hr/> -	<hr/> 730
Other Government grants		
Local authority grants	-	5
	<hr/> -	<hr/> 5
Other income		
Educational operations	-	2
	<hr/> -	<hr/>
Total 2020	<hr/> <hr/> -	<hr/> <hr/> 737
Total 2019	<hr/> <hr/> 737	<hr/> <hr/>

In 2019 £320,000 other DfE/ESFA grants were received in respect of funding for closure costs. Any amounts unspent upon the closure of Inspire Academy Trust are repayable to the ESFA.

4. Expenditure

	Other 2020 £000	Total 2020 £000	Total 2019 £000
Educational operations:			
Direct costs	2	2	478
Support costs	3	3	1,329
	<hr/> 5	<hr/> 5	<hr/> 1,807
Total 2020	<hr/> <hr/> 5	<hr/> <hr/> 5	<hr/> <hr/> 1,807

INSPIRE ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

5. Net expenditure

Net expenditure for the year includes:

	2020 £000	2019 £000
Depreciation of tangible fixed assets	-	1,023
Fees paid to auditors for:		
- audit	4	6
- other services	1	-
	<hr/>	<hr/>

6. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £000	2019 £000
Wages and salaries	-	392
Social security costs	-	38
Pension costs	-	56
	<hr/>	<hr/>
	-	486
Agency staff costs	-	14
Staff restructuring costs	-	71
	<hr/>	<hr/>
	-	571
	<hr/>	<hr/>
	2020 £000	2019 £000
Redundancy payments	-	71
	<hr/>	<hr/>
	-	71
	<hr/>	<hr/>

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

In the prior year retention payments of £48,320 were made to 9 staff who were employed on 1st September 2018 and remained employed until at least 30th June 2019, to encourage them to remain with the school through to closure to support the students in achieving their qualifications.

INSPIRE ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

6. Staff (continued)

c. Staff numbers

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

	2020 No.	2019 No.
Teachers	-	6
Administration and support	-	3
Management	-	1
	<hr/>	<hr/>
		10
		<hr/> <hr/>

d. Higher paid staff

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

	2020 No.	2019 No.
In the band £100,001 - £110,000	-	1
	<hr/> <hr/>	<hr/> <hr/>

e. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £Nil (2019 £109,927).

7. Trustees' remuneration and expenses

The Principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff and not in respect of their services as trustees. Other trustees did not receive any payments, or expenses, from the academy in respect of their role as trustees.

During the year ended 31 August 2020, no Trustee expenses have been incurred (2019 - £NIL). Other related party transactions involving the trustees are set out in note 20.

8. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy Trust previously purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provided cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2020 was £Nil (2019 - £2,645). The cost of this insurance was included in the total insurance cost.

INSPIRE ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

9. Tangible assets

	Leasehold Land and Buildings £000	Furniture and equipment £000	Computer Equipment £000	Total £000
Cost or valuation				
At 1 September 2019	3,639	128	181	3,948
At 31 August 2020	3,639	128	181	3,948
Depreciation				
At 1 September 2019	2,158	128	181	2,467
At 31 August 2020	2,158	128	181	2,467
Net book value				
At 31 August 2020	1,481	-	-	1,481
At 31 August 2019	1,481	-	-	1,481

The lease on the land and buildings reverted back to the local authority at Net Book Value in accordance with the terms of the lease on 8 December 2020. No consideration was received for this reversion.

10. Debtors: Amounts falling due within one year

	2020 £000	2019 £000
VAT recoverable	11	1

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

11. Creditors: Amounts falling due within one year

	2020	2019
	£000	£000
Trade creditors	2	7
Other creditors	32	32
Accruals and deferred income	5	55
	<u>39</u>	<u>94</u>

Included within other creditors is £15,435 (2019: £15,435) of unspent bursary funds provided by the ESFA and £16,439 (2019: £16,439) of unspent Devolved Capital Grant

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

12. Statement of funds

	Balance at 1 September 2019 £000	Expenditure £000	Transfers in/out £000	Balance at 31 August 2020 £000
Restricted general funds				
General Annual Grant (GAG)	1	-	(1)	-
Deficit funding	252	(5)	(222)	25
Pension reserve	(223)	-	223	-
	<u>30</u>	<u>(5)</u>	<u>-</u>	<u>25</u>
Restricted fixed asset funds				
Public sector capital sponsorship	1,481	-	-	1,481
	<u>1,511</u>	<u>(5)</u>	<u>-</u>	<u>1,506</u>

INSPIRE ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

12. Statement of funds (continued)

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

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
Restricted general funds					
General Annual Grant (GAG)	299	388	(686)	-	1
Pupil premium	-	19	(19)	-	-
Deficit funding	-	320	(68)	-	252
Other grants	-	8	(8)	-	-
Other income	-	2	(2)	-	-
Pension reserve	(17)	-	-	(206)	(223)
	<u>282</u>	<u>737</u>	<u>(783)</u>	<u>(206)</u>	<u>30</u>
Restricted fixed asset funds					
DfE/ESFA capital grant	987	-	(987)	-	-
Capital expenditure from GAG	7	-	(7)	-	-
Public sector capital sponsorship	1,510	-	(29)	-	1,481
	<u>2,504</u>	<u>-</u>	<u>(1,023)</u>	<u>-</u>	<u>1,481</u>
Total Restricted funds	<u>2,786</u>	<u>737</u>	<u>(1,806)</u>	<u>(206)</u>	<u>1,511</u>

INSPIRE ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

13. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	-	1,481	1,481
Current assets	64	-	64
Creditors due within one year	(39)	-	(39)
Total	25	1,481	1,506

Analysis of net assets between funds - prior year

	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000
Tangible fixed assets	-	1,481	1,481
Current assets	347	-	347
Creditors due within one year	(94)	-	(94)
Pension liability	(223)	-	(223)
Total	30	1,481	1,511

14. Reconciliation of net expenditure to net cash flow from operating activities

	2020 £000	2019 £000
Net expenditure for the period (as per Statement of financial activities)	(5)	(1,070)
Adjustments for:		
Depreciation	-	1,023
Defined benefit pension scheme finance cost	(223)	-
(Increase)/decrease in debtors	(10)	19
(Decrease)/increase in creditors	(55)	30
Net cash (used in)/provided by operating activities	(293)	2

INSPIRE ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

15. Analysis of cash and cash equivalents

	2020 £000	2019 £000
Cash at bank and in hand	53	346
	<u>53</u>	<u>346</u>

16. Analysis of changes in net debt

	At 1 September 2019 £000	Cash flows £000	At 31 August 2020 £000
Cash at bank and in hand	346	(293)	53
	<u>346</u>	<u>(293)</u>	<u>53</u>

17. 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.

18. Pension commitments

The Trust received funding from the Department for Education to pay the LGPS Pension liability of £223,000 and this was paid during the year.

19. Related party transactions

Owing to the nature of the academy trusts 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. During the year the Trust paid £20,784 (2019: £25,000) to City College for support services (including Finance, HR, Payroll, IT, Estate Management and Procurement support). An amount of £nil has been accrued for support services from City College Inspire Academy Trust owed Southampton City College £nil (2019: £182) in respect of fees and charges incurred on its behalf. During the year Inspire Academy Trust reimbursed Southampton City College £nil for costs incurred on its behalf.

20. Post balance sheet events

The lease on the land and buildings reverted back to the local authority at Net Book Value in accordance with the terms of the lease on 8 December 2020. No consideration was received for this reversion.

INSPIRE ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

21. Agency arrangements

The Academy Trust previously administered the disbursement of the new discretionary support for learners, 16-19 Bursary Funds, on behalf of the EFSA. The Trust has a balance of £15,435 as at 31st August 2020 (2019: £15,435) that was accumulated in prior years in respect of the former Inspire Enterprise Academy Southampton but will now be returned to the ESFA on closure.