



INSPIRATION TRUST
(A company limited by guarantee)

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**



INSPIRATION TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Lord Agnew (resigned 5 February 2019)
	Mr D Tibble
	Lady C Agnew (resigned 5 February 2019)
	Mr E Harrell
	Mr J DeWinter
	Mr J Hodgson (appointed 5 February 2019)
	Mrs M Hollingsworth MBE (appointed 5 February 2019)
Trustees	Mr D Tibble, Chairman
	Dame R de Souza
	Mr J Hanson-Smith
	Mr J Hodgson (resigned 14 December 2018)
	Mr D Earnshaw CBE
	Ms H Mills CBE
	Professor C Diamond CBE (appointed 14 December 2018)

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Company registered number 08179349

Company name Inspiration Trust

Principal and registered office Weights and Measures Building
28 Bethel Street
Norwich
Norfolk
NR2 1NR

Chief Executive Officer Dame R de Souza

Senior management team Dame R de Souza, Chief Executive Officer
Mr A Ball, Chief Operating Officer to 31 August 2019
Miss G Hardingham, Chief Finance Officer
Mrs C Heald, Director of Standards

In addition to the above, the Principals of each school within the Trust are part of the senior management team.

Independent auditors MA Partners Audit LLP
7 The Close
Norwich
Norfolk
NR1 4DJ

Bankers C. Hoare & Co
37 Fleet Street
London
EC4P 4DQ

Lloyds TSB Bank Plc
16 Gentleman's Walk
Norwich
NR2 1LZ

Solicitors Stone King LLP
Thirty Station Road
Cambridge
CB1 2RE

Internal auditor UHY Hacker Young
The Nexus Building
Broadway
Letchworth Garden City
Hertfordshire
SG6 9BL

INSPIRATION TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Trust operates 13 schools in Norfolk and Suffolk, ranging from primary through to sixth form.

Structure, governance and management

a. Constitution

The Trust is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the Trust.

The Trustees of Inspiration Trust are also the Directors of the charitable company for the purposes of company law.

The charitable company operates as Inspiration Trust.

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

b. 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.

c. Trustees' indemnities

Trustees benefit from indemnity insurance purchased at the Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or duty of which they may be guilty in relation to the Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or duty or which was committed with reckless disregard to whether it was a breach of trust or duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Trust.

In accordance with normal practice the Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £10m on any claim.

d. Method of recruitment and appointment or election of Trustees

The management of the Trust is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum of Association.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

e. Policies adopted for the induction and training of Trustees

Training and induction provided for new Trustees is assessed based on their existing experience.

Where necessary induction includes training on educational, legal and financial matters. All new Trustees are encouraged to visit the various schools, and have the chance to meet with principals, staff, and students, and are provided with key documents such as the Articles of Association, policies, procedures, accounts, budgets, plans and other documents they need to undertake their role as Trustee.

f. Organisational structure

The Trust has arranged its business in such a way that responsibilities and lines of accountability are clearly identified. The Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring its financial and operational performance and making strategic decisions about the operation and management of the Trust, including making senior staff appointments.

Local Governing Bodies (LGB) have been established for each school or federation of schools. As committees of the Trust Board, LGBs have delegated responsibility for key aspects of the running of schools although the Trust Board retains formal accountability for their operation and the strategic management and policies of the Trust as a whole. A dedicated Audit and Risk Committee of the Trust Board has been constituted to scrutinise risk management and governance. The Trust Board, the Local Governing Bodies and any associated sub committees each meet at least once a term.

The day to day management of the Trust is the responsibility of the Chief Executive Officer. The day to day running of the individual academies is delegated to their principals, with oversight in defined areas by committees of the Board sitting as Local Governing Bodies.

g. Arrangements for setting pay and remuneration of key management personnel

Arrangements for setting the pay and remuneration of the Trust's key management personnel are approved by the Trust Board. The Trust's teachers' pay policy is based on the national agreed pay scale as outlined in the School Teachers Pay and Conditions Document. The Trust adheres to Local Government pay arrangements for support staff and follows the Local Government pay spine.

h. Trade union facility time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 require the Trust to publish information on facility time arrangements for trade union officials at the Trust. The Trust confirms that there were no employees acting as trade union officials within the meaning of these regulations during the year ended 31 August 2019. Facility time is not provided by the Trust and therefore no employee spent time on facility time and no percentage of the pay bill was spent on facility time.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

i. Related parties and other connected charities and organisations

Owing to the nature of the Trust's operations and its close working relationships with local public and private sector organisations, transactions may take place with organisations in which a Trustee has an interest. All transactions with such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures. Further details of related party transactions are set out in Note 30.

Friends of Hethersett Academy and Friends of Cromer Academy Trust are registered charities which fundraise for the respective schools. During the year donations totalling £1,083 were received from Friends of Cromer Academy Trust and donations totalling £120 were received from Friends of Hethersett Academy.

Objectives and activities

a. Objects and aims

The aim of Inspiration Trust is to transform education in the East of England, working as a family of schools to deliver academic excellence for the young people of Norfolk and Suffolk.

b. Objectives, strategies and activities

The Trust's objectives are set out in its Articles of Association. In summary, the Trust's purposes are to;

- advance for the public benefit education in the United Kingdom
- promote for the benefit of local communities' provision of facilities for recreation or other leisure time pursuits

To meet these objectives, the Trust aims to:

- be the first choice of school in our local communities by offering outstanding education and the opportunities to enable our pupils to achieve
- be a model of best practice for inclusion of all our learners, including the most vulnerable and disadvantaged
- have exceptional pedagogy and curriculum in all of our schools, enabling us to be a top performing Trust
- be an employer of choice for leaders, teachers and support staff

Specific priorities for the year ahead include:

- Continued development of the Trust's inclusion vision to ensure we are meeting the needs of all of our pupils, with particular focus on attendance, behaviour and Special Educational Needs and Disability (SEND) strategy

c. Public benefit

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Objectives and activities (continued)

d. Equal opportunities

The Trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The Trust has established equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

e. Employee involvement

The Trustees encourage staff contributions at all levels and close collaboration between the academies. Principals also meet regularly to share knowledge and best practice. The Trust intranet provides information and access to internal and external professional development and support. Academies hold regular meetings and briefings. New staff are fully inducted and teachers take part in training before the start of and during the school year.

f. Disabled persons

The policy of the Trust is to support the employment of disabled persons both in recruitment and by retention of employees who become disabled whilst in the employment of the Trust, as well as generally through training and career development.

Strategic report

Achievements and performance

a. Achievements and performance

Exam results

Key Stage 2

The proportion of pupils meeting the expected standard at the end of Key Stage 2 has increased by 14% over the last three years. Stradbroke Primary Academy continued to excel, with 87% of children achieving the expected standard in reading, writing and mathematics. There were also improvements on the same measure for Norwich Primary Academy and Cobholm Primary Academy. After a challenging year, there was a dip in results at Great Yarmouth Primary Academy, but this has been fully reviewed to ensure additional support is in place to enable results to improve significantly in the future.

GCSE

The Trust recorded its best ever GCSE results, with a 7% increase in pupils achieving 9-5 grades in English and maths, supported by increases in Attainment 8 and Progress 8 scores.

Jane Austen College received its first set of GCSE results as a free school, with 75% of students achieving 9-4 grades in English and Maths. Provisional Progress 8 scores also indicate that they will be within the top ten percent of schools nationally.

Hethersett Academy continued to achieve top results, with 82% of pupils achieving 9-4 in English and Maths, and there were also significant rises in results at Hewett Academy, Thetford Academy and Great Yarmouth Charter Academy.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

Cromer Academy and East Point Academy both maintained their 9-4 grades and are aiming for improvement in the future.

Key Stage 5

Another strong set of results at Key Stage 5 meant a record eight students from Inspiration Trust secured places at Oxford and Cambridge.

Students at Jane Austen College achieved the top A*-C pass rate of all Norwich state schools for the second year running.

Sir Isaac Newton Sixth Form, as a specialist maths and science sixth form, is building a strong reputation for supporting students in gaining places to read these subjects at top universities, whilst bucking the national trend for the number of girls going on to study STEM subjects further.

Thetford Academy maintained its pass rate, but more pupils than ever before will be heading to university following their results.

Ofsted

Following adoption in to the Trust in 2017 as an Inadequate school, Great Yarmouth Charter Academy achieved its first Good rating from Ofsted in 11 years. The school was recognised for establishing a culture where there are high expectations of behaviour, which has resulted in a calm and purposeful learning environment.

Charles Darwin Primary, which opened in September 2016, achieved an Outstanding in all areas judgment from Ofsted following its first inspection as a free school. The school, which becomes the third within the Trust to be rated as Outstanding, was praised for highly effective teaching, an extensive range of extra-curricular opportunities and excellent pupil behaviour. The school's nursery provision was also rated Good during its separate Ofsted visit.

Great Yarmouth Primary Academy was judged Inadequate following inspection in November 2018, a rating and report which the Trust strongly disputes. A new principal took up post in January 2019 and, following a review of the provision, identified the areas for improvement. An extensive plan is in place to move rapidly away from a special measures judgment by embedding sustainable changes to drive improvement.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

Strategic School Improvement Fund

The Trust's primary SSIF project, which aimed to improve reading outcomes for disadvantaged pupils using a knowledge rich curriculum, came to a successful conclusion in the summer. A cohort of 324 Key Stage 2 pupils from Norfolk and Suffolk, of which 75% were classed as disadvantaged, were involved in the project, which comprised:

- A deliberately sequenced, fully-resourced project curriculum, structurally embedding specific vocabulary
- A set of teaching techniques to secure pupil engagement with content and its long-term retention
- A sustained and responsive teacher development programme

The reading scores of the whole cohort were significantly improved by the project, with the scores of the disadvantaged pupils increasing an average of 3.34 points, serving to bring them closer to national average and thus reducing the 'disadvantage gap'. The project has also equipped teachers to deliver a knowledge-centred curriculum with high leverage teaching techniques beyond the lifetime of the project.

Teacher training

2018-19 saw the first cohort of 54 trainee teachers receive their Qualified Teacher Status through Inspiration Teacher Training. Trainees spent a year gaining teaching experience in placements across the Trust family of schools and its partner schools in East Anglia, as well as receiving subject specific training at the Trust's Curriculum Centre. 15 of these trainees were offered teaching roles within Inspiration Trust following completion of their training.

Continuous professional development for staff

The Trust commenced its 'Aspiring to Headship' programme, an opportunity for high potential future school leaders to learn the skills they need to become the best in their field. The programme includes bespoke CPD, networking events and visits to other high performing schools, all to help them achieve their full potential as future principals.

Great Yarmouth Charter merger

September 2018 saw the effective merger of Trafalgar College and Great Yarmouth Charter Academy. This entailed the closure of Great Yarmouth Charter Academy as a converter academy, and the relocation and renaming of Trafalgar College as a continuing free school, but operating under the name of Great Yarmouth Charter Academy. In April 2019, students based at the former Trafalgar College were formally moved to Great Yarmouth Charter Academy, allowing all pupils to come together on a single site and benefit from greater shared facilities. Transport between the sites, as well as replacement uniforms, helped with the smooth transition.

Work started in June 2019 to increase the capacity of Great Yarmouth Charter Academy following the merger. Developments include a new build science block which includes seven labs and two teaching spaces, as well as a new multi-use games playing area, with completion expected by September 2020. Other existing areas of the school will be reconfigured and refurbished, resulting in a larger dining hall and servery, as well as space for the planned new sixth form, scheduled to open in September 2021.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

Capital projects

With rising demand for places, expansion at Hethersett Academy commenced in May 2019, in partnership with Norfolk County Council. The new build block comprises of 13 classrooms, 2 art rooms, a media suite and a multi-use, double height hall. The works, which are due to complete by September 2020, will also include additional areas for sports.

Work has now commenced on East Point Academy's Priority School Build Phase 2 project, which is replacing or refurbishing spaces that were not deemed suitable. This will include new build replacement teaching spaces for science and maths, as well as refurbishment of sport facilities, with work due to complete by June 2021.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

b. Key performance indicators

Education KPIs

Ofsted - overall inspection outcomes

	Pre-Trust	Most Recent
Charles Darwin Primary	Free school	Outstanding
Cobholm Primary Academy	Inadequate	Requires improvement
Cromer Academy	Good	Good
East Point Academy	Inadequate	Good
Great Yarmouth Charter Academy	Free school	Good
Great Yarmouth Primary Academy	Satisfactory	Inadequate
Hethersett Academy	Inadequate	Outstanding
The Hewett Academy	Inadequate	Good
Jane Austen College	Free school	Good
Norwich Primary Academy	Satisfactory	Good
Sir Isaac Newton Sixth Form	Free school	Outstanding
Stradbroke Primary Academy	Inadequate	Good
Thetford Academy	Inadequate	Good

National examination results

Key Stage 2

	% Expected Standard RWM		
	2016/17	2017/18	2018/19
Cobholm Primary	18%	40%	45%
Great Yarmouth Primary	41%	50%	40%
Norwich Primary	44%	52%	60%
Stradbroke Primary	70%	81%	87%

Key Stage 4

	% 9-5 English and Maths		
	2016/17	2017/18	2018/19
Cromer Academy	31%	36%	37%
East Point Academy	43%	39%	38%
Great Yarmouth Charter	n/a	27%	38%
Hethersett Academy	67%	65%	65%
Hewett Academy	29%	17%	25%
Jane Austen College	n/a	n/a	54%
Thetford Academy	25%	18%	32%

Key Stage 5

	% Grades A*-C		
	2016/17	2017/18	2018/19
Jane Austen College	83%	88%	82%
Sir Isaac Newton Sixth Form	78%	73%	80%
Thetford Academy	59%	50%	50%

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Financial review

a. Financial review

The vast majority of the Trust's income and expenditure comes from the Education and Skills Funding Agency (ESFA). These grants and the associated expenditure are shown as restricted funds in the consolidated statement of financial activities.

The Trust also receives grants for fixed assets from the Department for Education for capital expenditure and building works. In accordance with the Charities Statement of Recommended Practice (Charities SORP (FRS 102)) and the Academies Accounts Direction 2018 to 2019, these 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.

During the year ended 31 August 2019, the Trust incurred total expenditure (excluding depreciation) of £45,987,520, which was covered by grant funding from the ESFA and other income.

The in-year surplus, being the increase in unrestricted funds and restricted general funds (excluding pension reserve) is £717,080. The increase in funds has been achieved by continued implementation of Integrated Curriculum Financial Planning across all Trust academies, as well as additional income being generated. The £1,516,747 School Condition Allocation carried forward within restricted general funds has been budgeted to be fully spent at the start of the 2019/20 academic year on building and maintenance projects within the academies.

At 31 August 2019 the net book value of fixed assets was £85,491,139 (2018: £85,371,644). These assets were used exclusively for providing education to the Trust's pupils and related support services.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Financial review (continued)

b. Financial risk management objectives and policies

The Trustees have assessed the major risks to which the Trust is exposed, in particular those relating to its reputation, funding, staffing, safety, safeguarding and regulations, and buildings and facilities.

The Trustees review risk management arrangements that include a Risk Management Strategy and a strategic risk register. During the year, the strategic risk register was reviewed and updated by the Audit and Risk Committee.

The strategic risk register seeks to identify in relation to each of its schools the likelihood of an event occurring, its impact, and mitigating actions that might be utilised to reduce or dissipate the risk where appropriate. Risks are considered under educational, financial, health and safety, and reputational headings.

The Trustees acknowledge that they have overall responsibility for ensuring that the Trust has an effective, sound and appropriate system of controls, financial and otherwise. They are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust which ensures the financial statements comply with the Companies Act. The Trustees also acknowledge responsibility for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities while complying with relevant laws and regulations.

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, monitoring of controls, training of staff and a system of delegation and accountability.

The purpose of the Trust's Finance Manual is to provide instruction and guidance to Trustees, chairs of Local Governing Bodies, academy principals and the central support staff; and ensure that each academy within the Trust maintains and develops systems of financial control which conform to the requirements both of propriety and of good financial management.

UHY Hacker Young, as an independent internal audit function, provides further assurance to the Trustees. UHY Hacker Young carries out internal audit assignments, performing a range of checks on the Trust's systems.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Financial review (continued)

c. Reserves policy

The Trust held fund balances at 31 August 2019 of £76,815k (2018: £82,321k) comprising £74,537k (2018: £81,258k) of restricted funds, including a pension reserve deficit of £13,047k (2018: £6,320k) and £2,278k (2018: £1,063k) of unrestricted general funds.

The Trust aims to set balance in-year revenue budgets annually, with any surplus at the Trust level held for investment and other initiatives to improve teaching and learning at the Trust's academies.

The policy of the Trust is to carry forward a prudent level of resources designed to meet the long-term cyclical needs of renewal and other unforeseen contingencies. Target levels of free reserves, being funds which can be used for the general day to day running of its academies, should be within the range 3-5% of the annual GAG income, dependent on the view of the Trustees as to the current position of the Trust in respect of cyclical needs. We consider our free reserves to be the total of unrestricted reserves and GAG funds carried forward within restricted general funds. Combined, these represent 6.6% of GAG income at 31 August 2019, therefore in excess of target. The key priorities for these surplus reserves are investment in IT infrastructure across the Trust, as well as development of our inclusion strategy.

d. Investment policy

The Trust's investment policy is to invest surplus cash reserves on deposit with banks with a high credit rating where the capital invested is guaranteed. Investment returns are reviewed during the year to ensure that returns are maximised whilst safeguarding the funds invested.

e. Principal risks and uncertainties

All major risks to which the Trust is exposed are contained in a risk register that is continuously reviewed by the Audit and Risk Committee and Trust Board. Appropriate policies, systems and procedures are in place to manage risks.

The principal risks have been identified as:

- Reputational – the continued success of attracting sufficient numbers of students to the academies by maintaining and improving educational standards and maintaining the Trust's purpose and offering. This includes working closely with the communities our academies serve.
- Government funding – the Trust has considerable reliance on the continued government funding through the ESFA/DfE. There is no assurance that government policy or practice will remain the same, and as such the Trust needs to ensure it is efficient in its use of financial resource.
- Staffing – the ability to recruit, retain and train quality staff. There is a nationwide shortage of qualified teachers, with high numbers of individuals leaving the profession. This is being addressed by our Initial Teacher Training programme to provide more newly qualified staff, as well as continuing to develop our personal professional development offer.
- Buildings and facilities – ensuring the estate under the control of the Trust remains safe, secure and compliant. This is done primarily through planned School Condition Allocation spending.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Financial review (continued)

f. Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the Trust Board 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 accounting policies.

Fundraising

For the period under review the Trust did not operate a formal fundraising programme in conjunction with any commercial or professional fundraisers. The Trust has applied on a targeted basis for specific grant programmes operated by individuals and organisations where these have been identified as offering opportunities to further the Trust's charitable aims. The Trust also benefits from occasional volunteer fundraising by parent teacher associations and similar groups.

The nature of our fundraising activities means the Trust does not subscribe to any voluntary fundraising schemes or standards, and we do not have any commercial third-party fundraising on our behalf requiring monitoring in relation to vulnerable people, unreasonably intrusive or persistent fundraising approaches, or undue pressure to donate.

The Trust has not received any formal complaints in regards to fundraising activities.

Plans for future periods

The Trust will continue to review and evolve our curriculum offer to ensure we are both a high performing family of schools, as well as becoming a model of best practice for inclusion of all our learners.

We will continue to focus on the training, development and retention of our staff through professional development, with the aim of becoming an employer of choice in our region.

Funds held as custodian on behalf of others

The Trust does not act as the Custodian Trustee of any other charity.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Disclosure of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that 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 auditors are 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 13 December 2019 and signed on its behalf by:


.....
Mr D Tibble
Chairman

INSPIRATION TRUST
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GOVERNANCE STATEMENT

Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, 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 Inspiration 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 6 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
Mr D Tibble, Chairman	6	6
Dame R de Souza	6	6
Mr J Hanson-Smith	5	6
Mr J Hodgson (resigned 14 December 2018)	0	2
Mr D Earnshaw CBE	6	6
Ms H Mills CBE	4	6
Professor C Diamond CBE (appointed 14 December 2018)	4	5

The Trustees have overseen all financial planning, budgeting and longer term forecasting to ensure all elements of the Trust are soundly managed. Liquidity, sustainability and affordability are key focus areas of the Trust Board with particular attention paid to longer term investment and development of each of the sites.

The Trustees have discharged their responsibilities in this regard by consideration of; (i) detailed regular financial reports prepared by senior Trust staff to the Trust Board; (ii) feedback from the Governing Bodies; and (iii) feedback from ad hoc finance working parties convened to consider specific issues.

Governance review

Lord Agnew formally resigned as a Member following the necessary changes to the Trust's Articles of Association.

The Trust continues to have regard to the Department for Education's Academies Financial Handbook and Governance Handbook and we periodically review arrangements to ensure compliance with statutory and regulatory requirements and the operational needs of the Trust and its schools.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Audit and Risk Committee (A&R) is a committee of the Trust Board and is constituted to provide a broad and effective scrutiny of risk management and governance within the Trust.

During the period under review, the A&R Committee met 4 times.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr J Hanson-Smith	4	4
Mr M Gibbins	4	4
Mr J Longfield	3	4
Mr J Mason	3	4

Review of value for money

As Accounting Officer the Chief Executive Officer 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 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 Trust has delivered improved value for money during the year by:

Improving the effectiveness of resource use:

- Ensuring resources are targeted at school improvement priorities for the continuation of improved outcomes at all our academies
- Ensuring that spending on goods and services is reviewed to deliver economies of scale where possible, whilst also ensuring quality of provision through monitoring of contracts
- Ensuring all estates within the Trust are kept in a good state of repair and are a suitable place for students to achieve the best outcomes
- Offering significant professional development to continue to develop our staff

Ensuring financial effectiveness:

The Trust Board includes significant experience of education and wider industry, and regularly conducts reviews to ensure there is sufficient expertise within the Trust to challenge on ensuring value for money. If required, the Trust will consult with professional experts to advise on financial aspects.

The Trust finance team will produce financial reports highlighting any significant variances to budgets, allowing individual academies and the Trust Board to undertake any necessary remedial action.

Maximising income generation:

The Trust actively seeks opportunities to bid for additional funding to support the school improvement work we are already doing.

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GOVERNANCE STATEMENT (CONTINUED)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of 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 Inspiration Trust for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees 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 Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

The 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 Trust Board 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 decided to appoint UHY Hacker Young as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. In particular the checks carried out in the current period included:

- HR recruitment and training.
- Payroll and expenses
- Fixed assets
- Estates strategy
- Governance
- Procurement and value for money

All internal audit reports are reviewed by the Audit and Risk Committee, and on a periodic basis, the reviewer reports to the Board of Trustees through the Audit and Risk Committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

INSPIRATION TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

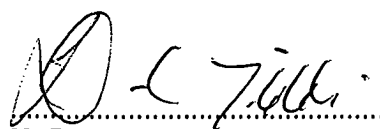
The risk and control framework (continued)

Review of effectiveness

As Accounting Officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor
- the work of the external auditor

Approved by order of the members of the board of Trustees on 13 December 2019 and signed on their behalf by:


.....
Mr D Tibble
Chairman


.....
Dame R de Souza
Accounting Officer

INSPIRATION TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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


.....
Dame R de Souza
Accounting Officer
Date: 13 December 2019

INSPIRATION TRUST
(A company limited by guarantee)

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019**

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 & 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:

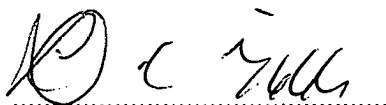
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 on 13 December 2019 and signed on its behalf by:



Mr D Tibble
Chairman

INSPIRATION TRUST
(A company limited by guarantee)

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

Opinion

We have audited the financial statements of Inspiration Trust (the 'Trust') for the year ended 31 August 2019 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the 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 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

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

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 Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

INSPIRATION TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
INSPIRATION 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 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.

INSPIRATION TRUST
(A company limited by guarantee)

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

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the Directors of the 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 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 Trust or to cease operations, or have no realistic alternative but to do so.

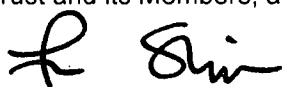
Auditors' responsibilities for the audit of the financial statements

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 charitable 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 charitable 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 charitable Trust and its Members, as a body, for our audit work, for this report, or for the opinions we have formed.



Frank Shippam BSc FCA DChA (Senior statutory auditor)

for and on behalf of

MA Partners Audit LLP

Chartered Accountants and Statutory Auditors

7 The Close

Norwich

Norfolk

NR1 4DJ

16 December 2019

INSPIRATION TRUST
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 27 September 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Inspiration Trust during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Inspiration Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Inspiration 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 Inspiration Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Inspiration Trust's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Inspiration Trust's funding agreement with the Secretary of State for Education dated 30 August 2013 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

INSPIRATION TRUST
(A company limited by guarantee)

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

Our procedures included, but were not limited to, the following:

- Reviewing the processes for identifying and declaring business interests, related parties and transactions with connected parties;
- Reviewing minutes of meetings and making enquiries of the Trustees and management;
- Performing an evaluation of the general control environment;
- Sample testing of expenditure to ensure the Trust's lines of delegation and procurement policies have been adhered to, that employees have not personally benefited from any other transaction and that goods and services have been procured in an open and transparent manner;
- Sample testing restricted income to ensure it has been spent as the purpose intended;
- Reviewing transactions which may not fall within the delegated authority of the trust and ensuring any such transactions have been authorised and disclosed as necessary;
- Reviewing compliance with *Annex C: Schedule of requirements (the "musts")* of the Academies Financial Handbook 2018

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 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

MA Partners Audit LLP

MA Partners Audit LLP
7 The Close
Norwich
Norfolk
NR1 4DJ

Date: 16 December 2019

INSPIRATION TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants	3	-	678,501	4,872,199	5,550,700	3,192,351
Charitable activities:	4					
Teaching school		-	40,000	-	40,000	50,000
Funding for the Trust's educational operations		898,469	40,913,676	-	41,812,145	39,621,025
Other trading activities	5	934,821	240,337	-	1,175,158	662,232
Investments	6	3,440	-	-	3,440	2,742
Total income		1,836,730	41,872,514	4,872,199	48,581,443	43,528,350
Expenditure on:						
Charitable activities:	8					
Teaching school		-	40,544	-	40,544	50,000
Educational operations		1,742,163	44,204,813	2,601,005	48,547,981	45,693,741
Total expenditure		1,742,163	44,245,357	2,601,005	48,588,525	45,743,741
Net income/(expenditure)		94,567	(2,372,843)	2,271,194	(7,082)	(2,215,391)
Transfers between funds	20	1,120,680	646,676	(1,767,356)	-	-
Net movement in funds before other recognised gains/(losses)		1,215,247	(1,726,167)	503,838	(7,082)	(2,215,391)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	27	-	(5,499,000)	-	(5,499,000)	3,331,000
Net movement in funds		1,215,247	(7,225,167)	503,838	(5,506,082)	1,115,609

INSPIRATION TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Note					
Reconciliation of funds:					
Total funds brought forward	1,062,591	(4,103,366)	85,361,393	82,320,618	81,205,009
Net movement in funds	1,215,247	(7,225,167)	503,838	(5,506,082)	1,115,609
Total funds carried forward	2,277,838	(11,328,533)	85,865,231	76,814,536	82,320,618

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 32 to 70 form part of these financial statements.

INSPIRATION TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 08179349

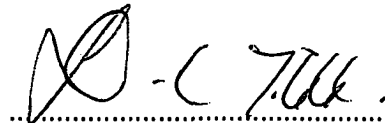
BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	15	85,491,139	85,371,644
Investments	16	1	1
		<u>85,491,140</u>	<u>85,371,645</u>
Current assets			
Debtors	17	1,967,382	2,489,915
Cash at bank and in hand		8,676,808	5,862,270
		<u>10,644,190</u>	<u>8,352,185</u>
Creditors: amounts falling due within one year	18	(6,032,749)	(4,805,083)
Net current assets		<u>4,611,441</u>	<u>3,547,102</u>
Total assets less current liabilities		<u>90,102,581</u>	<u>88,918,747</u>
Creditors: amounts falling due after more than one year	19	(241,045)	(278,129)
Net assets excluding pension liability		<u>89,861,536</u>	<u>88,640,618</u>
Defined benefit pension scheme liability	27	(13,047,000)	(6,320,000)
Total net assets		<u><u>76,814,536</u></u>	<u><u>82,320,618</u></u>
Funds of the Trust			
Restricted funds:			
Fixed asset funds	20	85,865,231	85,361,393
Restricted income funds	20	1,718,467	2,216,634
		<u>87,583,698</u>	<u>87,578,027</u>
Restricted funds excluding pension asset	20	87,583,698	87,578,027
Pension reserve	20	(13,047,000)	(6,320,000)
Total restricted funds	20	<u>74,536,698</u>	<u>81,258,027</u>
Unrestricted income funds	20	<u>2,277,838</u>	<u>1,062,591</u>
Total funds		<u><u>76,814,536</u></u>	<u><u>82,320,618</u></u>

INSPIRATION TRUST
(A company limited by guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2019

The financial statements on pages 27 to 70 were approved by the Trustees, and authorised for issue on 13 December 2019 and are signed on their behalf, by:

A handwritten signature in black ink, appearing to read 'D Tibble', is written over a dotted line.

Mr D Tibble
Chairman

The notes on pages 32 to 70 form part of these financial statements.

INSPIRATION TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	22	608,428	(137,038)
Cash flows from investing activities	24	2,228,686	1,621,694
Cash flows from financing activities	23	(22,576)	283,269
Change in cash and cash equivalents in the year		2,814,538	1,767,925
Cash and cash equivalents at the beginning of the year		5,862,270	4,094,345
Cash and cash equivalents at the end of the year	25	<u>8,676,808</u>	<u>5,862,270</u>

The notes on pages 32 to 70 form part of these financial statements

INSPIRATION TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Inspiration Trust meets the definition of a public benefit entity under 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 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 and have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern, thus the Trust Board continues to adopt the going concern basis of accounting in preparing the financial statements.

INSPIRATION TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. Accounting policies (continued)

1.3 Income

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

- **Grants**

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

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

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the Balance Sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

- **Sponsorship income**

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

- **Donations**

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

- **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Trust has provided the goods or services.

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.

- **Charitable activities**

These are costs incurred on the Trust's educational operations, including support costs and costs relating to the governance of the Trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

INSPIRATION TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. Accounting policies (continued)

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.6 Taxation

The 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 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.

1.7 Tangible fixed assets

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Depreciation is provided on the following bases:

Freehold buildings	- 2% straight line
Long term leasehold land	- over the term of the lease
Long term leasehold buildings	- 2-4% straight line
Short term leasehold buildings	- over the term of the lease
Computer equipment	- 33% straight line
Furniture and equipment	- 10-20% straight line
Motor vehicles	- 25% straight line

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.

INSPIRATION TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. Accounting policies (continued)

1.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of Financial Activities.

Investments in subsidiaries are valued at cost.

1.9 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.

1.10 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.

1.11 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 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.

1.12 Financial instruments

The Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the 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 17. 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 notes 18 and 19. 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. Accounting policies (continued)

1.13 Pensions

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

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.14 Agency arrangements

The Trust acts as an agent in distributing bursaries to trainee teachers on the SCITT programme from the Department of Education (DfE). Payments received from the DfE 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 funds received and paid and any balances held are disclosed in note 31.

1.15 Fund accounting

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

Investment income, gains and losses are allocated to the appropriate fund.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

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.

Critical accounting estimates and assumptions:

The 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

In assessing the carrying values of tangible fixed assets the Trustees estimate the anticipated useful lives and residual values of the assets. There have been no significant revisions to these estimations in the current financial year.

The Trust occupies premises under an operating lease for Great Yarmouth Charter Academy at a peppercorn rent. In accordance with the Academies Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency, where the rental cost is below market rent, a market value of rent should be determined and recognised as an expense in the Statement of Financial Activities with a corresponding incoming resource also recognised. The Trust has obtained the rateable value of the property from The Valuation Office Agency and has determined that this provides a reasonable estimate of the market value of rent.

The Trust also occupies premises for Trafalgar College and Charles Darwin Primary, where the freehold and lease respectively are held by the Department for Communities and Local Government (DCLG). The schools occupy these properties under mutual agreement with DCLG and no rent is charged. In accordance with The Academies Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency, where no rent is charged, a market value of rent should be determined and recognised as an expense in the Statement of Financial Activities with a corresponding incoming resource also recognised. The Trust has obtained the rateable values of the properties from The Valuation Office Agency and has determined that this provides a reasonable estimate of the market values of rent.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

3. Income from donations and capital grants

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Donations	-	678,501	2,300,325	2,978,826	644,109
Capital Grants	-	-	2,571,874	2,571,874	2,548,242
Total 2019	-	678,501	4,872,199	5,550,700	3,192,351
<i>Total 2018</i>	<i>35,400</i>	<i>608,709</i>	<i>2,548,242</i>	<i>3,192,351</i>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

4. Funding for the Trust's educational operations

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	35,023,265	35,023,265	33,667,449
Pre 16 High Needs	-	144,000	144,000	200,000
Pupil Premium	-	2,414,833	2,414,833	2,424,557
Year 7 Catch Up	-	158,621	158,621	144,663
Project Development Grants	-	248,130	248,130	327,143
Other ESFA grants	-	109,082	109,082	173,223
Maths Hub	-	465,805	465,805	512,323
Teachers' Pay Grant	-	285,986	285,986	-
Free School Meals	-	207,811	207,811	142,244
PE Grants	-	90,400	90,400	86,770
Initial teacher training	-	218,818	218,818	-
Teaching school	-	40,000	40,000	50,000
Start Up Grants	-	326,703	326,703	473,787
	-	39,733,454	39,733,454	38,202,159
Other government grants				
Nursery funding	-	172,021	172,021	195,272
SEN and high needs funding	-	414,784	414,784	285,590
Other LA funding	3,044	359,404	362,448	179,062
	3,044	946,209	949,253	659,924
Non-government grants				
Researchers in schools funding	-	65,907	65,907	-
Other grants	12,239	208,106	220,345	233,288
	12,239	274,013	286,252	233,288
Other income from the Trust's educational operations				
Educational visits	522,028	-	522,028	485,569
Catering	361,158	-	361,158	90,085
Total 2019	898,469	40,953,676	41,852,145	39,671,025
Total 2018	575,754	39,095,271	39,671,025	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

5. Income from other trading activities

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Hire of facilities	365,498	-	365,498	331,821
Uniform sales	2,824	-	2,824	11,002
Income from provision of supply staff	15,207	-	15,207	23,129
Miscellaneous income	551,292	240,337	791,629	296,280
Total 2019	<u>934,821</u>	<u>240,337</u>	<u>1,175,158</u>	<u>662,232</u>
<i>Total 2018</i>	<u>505,628</u>	<u>156,604</u>	<u>662,232</u>	

6. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Investment income	<u>3,440</u>	<u>3,440</u>	<u>2,742</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

7. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	<i>Total 2018 £</i>
Educational operations:					
Direct costs	27,339,601	-	3,857,603	31,197,204	29,740,409
Support costs	5,135,387	7,480,984	4,734,406	17,350,777	15,953,332
Teaching school:					
Direct costs	36,441	-	158	36,599	44,034
Support costs	3,945	-	-	3,945	5,966
	<u>32,515,374</u>	<u>7,480,984</u>	<u>8,592,167</u>	<u>48,588,525</u>	<u>45,743,741</u>
<i>Total 2018</i>	<u><i>31,583,610</i></u>	<u><i>6,220,048</i></u>	<u><i>7,940,083</i></u>	<u><i>45,743,741</i></u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

8. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Educational operations	31,197,204	17,350,777	48,547,981	45,693,741
Teaching school	36,599	3,945	40,544	50,000
	<u>31,233,803</u>	<u>17,354,722</u>	<u>48,588,525</u>	<u>45,743,741</u>
<i>Total 2018</i>	<u><u>29,784,443</u></u>	<u><u>15,959,298</u></u>	<u><u>45,743,741</u></u>	

Analysis of direct costs

	Total funds 2019 £	Total funds 2018 £
Staff costs	26,757,317	25,345,685
Educational supplies	1,074,833	833,134
Examination fees	514,515	434,262
Staff development	227,287	227,390
Educational consultancy	886,549	801,083
Educational visits and visitors	596,591	458,243
Educational support services	396,792	483,836
Extended schools costs	161,194	370,552
Agency supply staff	618,725	830,258
	<u><u>31,233,803</u></u>	<u><u>29,784,443</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2019 £	Total funds 2018 £
Pension interest	189,000	220,000
Staff costs	5,034,069	5,372,061
Depreciation	2,601,005	2,648,573
Technology costs	734,704	710,800
Recruitment and support	130,699	134,988
Maintenance of property and equipment	2,835,096	1,971,128
Cleaning	821,661	725,992
Rent and rates	995,263	862,958
Energy and water costs	991,574	873,285
Insurance	192,016	188,974
Security and transport	255,532	235,475
Catering	1,106,043	784,227
Bank interest and charges	6,798	6,049
Staff travel and subsistence	116,807	98,323
Uniform costs	29,136	13,977
Agency supply costs	105,263	35,605
Research, marketing and rebranding	121,254	113,645
Bursary payments	61,463	77,300
Other support costs	916,076	778,887
Bad debt write off	2,805	2,641
Governance costs	108,458	104,410
	17,354,722	15,959,298

9. Analysis of specific expenses

Included within expenditure are the following transactions:

	Total £	Individual items above £5,000 Amount £	Reason
Unrecoverable debts	2,805	-	No individual items > £5,000

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Operating lease rentals	320,489	304,311
Depreciation of tangible fixed assets	2,601,005	2,648,573
Fees paid to auditors for:		
- audit	21,500	21,500
- other services	15,045	11,619
	<u>320,489</u>	<u>304,311</u>

11. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	23,968,298	22,970,684
Social security costs	2,401,620	2,295,854
Pension costs	5,162,920	5,234,034
	<u>31,532,838</u>	<u>30,500,572</u>
Agency staff costs	723,988	865,865
Staff restructuring costs	258,548	217,173
	<u>32,515,374</u>	<u>31,583,610</u>

Staff restructuring costs comprise:

	2019 £	2018 £
Redundancy payments	94,758	103,472
Severance payments	163,790	113,701
	<u>258,548</u>	<u>217,173</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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11. Staff costs (continued)

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

Included within staff restructuring costs are non-statutory / non-contractual severance payments totalling £163,790 (2018: £113,701). Individually, the payments were £30,000, £26,333, £25,500, £25,000, £11,500, £10,000, £10,000, £6,000, £5,000, £5,000, £4,869, £3,000, £1,000, £586, £1 and £1.

c. Staff numbers

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

	2019 No.	2018 No.
Teachers	448	427
Administration and support	471	454
Management	17	17
	<u>936</u>	<u>898</u>

The average headcount expressed as full-time equivalents was:

	2019 No.	2018 No.
Teachers	414	397
Administration and support	330	333
Management	17	17
	<u>761</u>	<u>747</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

11. Staff costs (continued)

d. Higher paid staff

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	20	16
In the band £70,001 - £80,000	4	3
In the band £80,001 - £90,000	3	3
In the band £90,001 - £100,000	3	1
In the band £100,001 - £110,000	3	1
In the band £110,001 - £120,000	-	2
In the band £150,001 - £160,000	1	1

e. Key management personnel

The key management personnel of the Trust comprise the Trustees and the senior management team as listed on pages 1 and 2. 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 Trust was £1,943,039 (2018: £2,176,539).

12. Central services

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

- Financial services
- Human resources
- ICT
- Operations and estate management
- Procurement
- Payroll
- Health and safety
- Marketing and communications
- Governance
- School improvement support including standards monitoring and external review
- Curriculum development support
- Leadership development
- CPD
- Data collection and analysis support

GAG income for each academy is pooled and therefore the Trust does not recharge out central services.

An appeals mechanism is in place in accordance with the Academies Financial Handbook should a constituent academy's principal feel that the academy has been unfairly treated.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

13. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2019	2018
		£	£
Dame R de Souza (Chief Executive Officer and Trustee)	Remuneration	155,000 - 160,000	150,000 - 155,000
	Pension contributions paid	25,000 - 30,000	25,000 - 30,000

During the year ended 31 August 2019, expenses totalling £268 were paid on behalf of 1 Trustee (2018: £NIL) for hotel accommodation when attending meetings.

14. Trustees' and Officers' insurance

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

15. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation						
At 1 September 2018	28,863,364	61,407,451	2,518,856	3,452,380	5,941	96,247,992
Additions	2,289,285	-	218,594	212,621	-	2,720,500
At 31 August 2019	<u>31,152,649</u>	<u>61,407,451</u>	<u>2,737,450</u>	<u>3,665,001</u>	<u>5,941</u>	<u>98,968,492</u>
Depreciation						
At 1 September 2018	1,798,310	4,757,708	1,397,679	2,916,724	5,927	10,876,348
Charge for the year	518,064	1,319,326	391,330	372,271	14	2,601,005
At 31 August 2019	<u>2,316,374</u>	<u>6,077,034</u>	<u>1,789,009</u>	<u>3,288,995</u>	<u>5,941</u>	<u>13,477,353</u>
Net book value						
At 31 August 2019	<u>28,836,275</u>	<u>55,330,417</u>	<u>948,441</u>	<u>376,006</u>	<u>-</u>	<u>85,491,139</u>
At 31 August 2018	<u>27,065,054</u>	<u>56,649,743</u>	<u>1,121,177</u>	<u>535,656</u>	<u>14</u>	<u>85,371,644</u>

Included within freehold property additions is a Sports Hall for Jane Austen College. This building project was funded and managed by the ESFA. On 1 September 2018, when the project was complete, the asset was transferred to the Trust and a donation in kind of £2,289,285 was recognised, being the total project cost.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

16. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 September 2018	1
	<hr/>
At 31 August 2019	1
	<hr/> <hr/>
Net book value	
At 31 August 2019	1
	<hr/>
At 31 August 2018	1
	<hr/> <hr/>

Principal subsidiaries

The following was a dormant subsidiary of the Trust:

Name	Company number	Principal activity	Holding
Inspiration Services Limited	10449747	Dormant company	100%

The financial results of the subsidiary for the year were:

Name	Net assets £
Inspiration Services Limited	1

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

17. Debtors

	2019	2018
	£	£
Due within one year		
Trade debtors	175,911	93,967
Other debtors	15,223	106,358
Prepayments and accrued income	1,248,531	1,501,667
VAT repayable	527,717	787,923
	<u>1,967,382</u>	<u>2,489,915</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Creditors: Amounts falling due within one year

	2019 £	2018 £
Other loans	37,444	22,936
Trade creditors	1,423,142	1,256,658
Other taxation and social security	573,691	550,288
Other creditors	1,969,461	1,557,303
Accruals and deferred income	2,029,011	1,417,898
	<u>6,032,749</u>	<u>4,805,083</u>
	2019 £	2018 £
Deferred Income		
Deferred income at 1 September 2018	532,013	500,685
Resources deferred during the year	372,760	532,013
Amounts released from previous periods	(532,013)	(500,685)
	<u>372,760</u>	<u>532,013</u>

At the balance sheet date the Trust had received the following income relating to the period after the balance sheet date:

- Duke of Edinburgh income (£13,224).
- Lettings income (£18,703).
- Free School Meals funding (£101,206).
- Rates Relief Grant income (£69,277).
- School Games Organiser funding (£17,411).
- NEACO funding (£3,983).
- 16 to 19 Bursary (£19,464).
- Norwich Opportunity Area Project funding (£30,095).
- Local Authority growth funding (£56,335)
- Various other amounts (£43,062).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

19. Creditors: Amounts falling due after more than one year

	2019 £	2018 £
Other loans	241,045	278,129

Included within the above are amounts falling due as follows:

	2019 £	2018 £
Between one and two years		
Other loans	37,084	37,084
Between two and five years		
Other loans	111,251	148,335
Over five years		
Other loans	92,710	92,710

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	2019 £	2018 £
Repayable by installments	92,710	92,710
	92,710	92,710

Included within creditors is an outstanding loan of £360, this loan was transferred to the Trust as part of the assets and liabilities of East Point Academy. At the date of transfer the outstanding loan amount was £55,764. Repayments are due annually and at the balance sheet date there is 1 year remaining.

Included within creditors are additional loans of £278,129 from Salix for energy efficiency projects at Great Yarmouth Primary Academy, Norwich Primary Academy, Hethersett Academy and Cromer Academy. The loans have been used to install LED lighting which should reduce energy consumption and therefore lead to reduced costs. These loans are HM Treasury approved, interest free and repayable over 8 years.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

20. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
Central services	(1,076,236)	-	-	1,076,236	-	-
Other general funds	2,138,827	1,836,730	(1,742,163)	44,444	-	2,277,838
	<u>1,062,591</u>	<u>1,836,730</u>	<u>(1,742,163)</u>	<u>1,120,680</u>	<u>-</u>	<u>2,277,838</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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20. Statement of funds (continued)

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Restricted general funds						
General Annual Grant (GAG)	541,188	35,167,265	(32,589,579)	(3,087,956)	-	30,918
Free School Meals	-	207,811	(207,811)	-	-	-
Pupil Premium	5,480	2,414,833	(2,617,345)	145,639	-	(51,393)
Nursery funding	11,322	172,021	(187,930)	4,587	-	-
SEN funding	(194)	414,784	(376,192)	7,850	-	46,248
PE Grant	-	90,400	(97,173)	11,146	-	4,373
Start Up Grants	134,264	326,703	(467,219)	-	-	(6,252)
SSIF	-	248,139	(256,540)	8,401	-	-
Bursary funding	36,445	31,320	(68,048)	-	-	(283)
Lease funding	-	711,500	(746,987)	35,487	-	-
Initial teacher training	-	218,818	(218,818)	-	-	-
Schools Condition Allocation (SCA)	1,416,648	-	(1,793,715)	1,893,814	-	1,516,747
Teachers' pay grant	-	285,986	(285,986)	-	-	-
SRB	2,407	87,709	(118,778)	31,069	-	2,407
Maths Hub	8,055	465,805	(453,680)	-	-	20,180
Other restricted funds	54,673	830,799	(764,225)	28,025	-	149,272
Year 7 Catch Up	6,346	158,621	(188,153)	29,436	-	6,250
Teaching school	-	40,000	(40,544)	544	-	-
Revenue expenditure from Capital Funds	-	-	(41,634)	41,634	-	-
Pension reserve	(6,320,000)	-	(2,725,000)	1,497,000	(5,499,000)	(13,047,000)
	<u>(4,103,366)</u>	<u>41,872,514</u>	<u>(44,245,357)</u>	<u>646,676</u>	<u>(5,499,000)</u>	<u>(11,328,533)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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20. Statement of funds (continued)

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Restricted fixed asset funds						
Capital expenditure from GAG	242,101	-	(96,167)	157,731	-	303,665
DFC	211,896	483,879	(35,279)	(38,106)	-	622,390
Capital funding for building project	14,941,913	-	(325,212)	-	-	14,616,701
Capital funding for other assets	825,488	72,296	(481,453)	(3,527)	-	412,804
Capital expenditure from SEN	-	-	(80)	10,360	-	10,280
Assets transferred from other trust	47,096,216	-	(120,327)	-	-	46,975,889
Assets transferred on conversion	19,971,395	-	(1,332,720)	-	-	18,638,675
ACMF	375,813	-	(12,144)	-	-	363,669
Capital expenditure from unrestricted	1,741	-	(4,071)	-	-	(2,330)
Donations in kind	(3,254)	2,300,325	(48,835)	-	-	2,248,236
Capital expenditure from SCA	1,655,156	-	(99,101)	121,885	-	1,677,940
IT capital funding	36,830	-	(13,576)	-	-	23,254
Capital expenditure from SSIF	4,317	-	(480)	-	-	3,837
Capital expenditure from start up grants	11,545	-	(1,896)	-	-	9,649
SCA	-	2,015,699	-	(2,015,699)	-	-
Salix Loan	(9,764)	-	(29,664)	-	-	(39,428)
	85,361,393	4,872,199	(2,601,005)	(1,767,356)	-	85,865,231
Total Restricted funds	81,258,027	46,744,713	(46,846,362)	(1,120,680)	(5,499,000)	74,536,698

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

20. Statement of funds (continued)

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Total funds	82,320,618	48,581,443	(48,588,525)	-	(5,499,000)	76,814,536

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

The General Annual Grant (GAG) is for the normal running costs of the schools within the Trust.

The transfers from the GAG include the following £1,497,000 to restricted pension reserve representing the cost of employer contributions towards the Local Government Pension Scheme, £157,731 for capital expenditure from the GAG fund. Further transfers have been made from other grants and other applicable restricted funds to clear deficit balances.

Central services funds are now recognised within GAG restricted funds. The balance brought forward has been transferred to the GAG fund during the current year.

School meals funding is used to provide every pupil in Reception and years 1 and 2 with a free school meal.

The Pupil Premium income has been provided by the ESFA to help raise the attainment of disadvantaged pupils.

Nursery funding is utilised to employ appropriate staff for the Nursery on site at Great Yarmouth Primary Academy, Cobholm Primary Academy and Charles Darwin Primary.

SEN funding is focused on children with special educational needs, and is utilised on SEN co-ordinates and additional teaching resource and visits orientated to support normal curriculum learning.

The PE Grant represents funding received towards the cost of improving PE provision.

Start-up Grants are provided to cover some of the disproportionate costs of operating a new school with empty and partial year groups.

The Strategic School Improvement Fund (SSIF) was awarded to help Inspiration Trust specialists target groups of schools most in need, in order to improve school performance and pupil attainment, help them use their resources effectively and to deliver more good school places.

The Bursary funding has been provided to fund additional resources required to teach 16-19 year old pupils.

Lease funding was received from the ESFA during the year to assist with the cost of leasing a premises for Sir Isaac Newton Sixth Form. Also included is the notional rental charges of £659,000 for the properties occupied by Trafalgar College, Charles Darwin Primary and Great Yarmouth Charter Academy.

Schools Condition Allocation (SCA) of £2,015,699 was received from the ESFA to improve and maintain the Trust's estate (buildings and grounds).

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**NOTES TO THE FINANCIAL STATEMENTS
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20. Statement of funds (continued)

Funding was received for the running of a Specialist Resource Base (SRB) at Cromer Academy and Hewett Academy for specialised additional special educational needs support.

The Maths Hub was established to bring together mathematics education professionals in a collaborative national network, each locally led by a school. It harnesses all expertise and leadership within an area to develop and spread excellent practice for the benefit of all pupils and students.

Year 7 catch up funding is used to provide additional support to students that did not receive the expected standard of reading or maths at the end of key stage 2.

Teaching school funding has been used to develop a provision for school led initial teacher training (ITT), provide school to school support and continuing professional development.

Devolved Formula Capital (DFC) funding is received for minor capital works and ICT replacement within the Trust.

The Pension reserve deficit at the year end was £13,047,000 and represents the Trust's share of the deficit of the relevant Local Government Pension Schemes.

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

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
Inspiration Trust	3,996,305	3,279,225
Restricted fixed asset fund	85,865,231	85,361,393
Pension reserve	(13,047,000)	(6,320,000)
Total	76,814,536	82,320,618

Funds for the Trust are presented as a single balance as the Trust has adopted a system of GAG pooling and all funds are retained centrally.

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**NOTES TO THE FINANCIAL STATEMENTS
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20. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £	Total 2018 £
Great Yarmouth Primary Academy	1,371,112	155,940	89,580	520,788	2,137,420	2,326,822
Norwich Primary Academy	1,479,209	136,519	45,083	423,653	2,084,464	2,268,122
Sir Isaac Newton Sixth Form	986,259	100,977	41,302	806,423	1,934,961	1,938,110
Cromer Academy	2,116,714	215,163	77,124	657,868	3,066,869	2,633,861
Hethersett Academy	2,487,461	213,179	89,566	906,770	3,696,976	3,145,790
Jane Austen College	3,267,670	290,030	135,496	1,044,153	4,737,349	3,772,805
Thetford Academy	4,322,246	356,534	89,074	1,104,382	5,872,236	5,773,715
East Point Academy	2,567,978	240,574	107,887	789,088	3,705,527	3,446,634
Stradbroke Academy	769,994	51,668	16,503	230,986	1,069,151	1,072,617
Cobholm Primary Academy	670,091	67,321	24,736	244,431	1,006,579	984,791
Hewett Academy	1,580,766	195,417	65,653	933,126	2,774,962	2,740,919
Charles Darwin Primary	782,314	65,105	22,309	513,451	1,383,179	803,823
Trafalgar College	493,405	59,252	1,988	310,148	864,793	988,359
Great Yarmouth Charter Academy	2,558,438	263,743	109,681	1,165,247	4,097,109	4,248,579
Inspiration Trust	1,922,385	2,727,910	158,851	2,746,799	7,555,945	6,950,221
	<u>27,376,042</u>	<u>5,139,332</u>	<u>1,074,833</u>	<u>12,397,313</u>	<u>45,987,520</u>	<u>43,095,168</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

20. Statement of funds (continued)

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

	<i>Balance at 1 September 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2018 £</i>
Unrestricted funds						
Central services	(844,537)	-	(3,259,552)	3,027,853	-	(1,076,236)
Other general funds	1,833,065	1,119,524	(837,835)	24,073	-	2,138,827
	<u>988,528</u>	<u>1,119,524</u>	<u>(4,097,387)</u>	<u>3,051,926</u>	<u>-</u>	<u>1,062,591</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

20. Statement of funds (continued)

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Restricted general funds						
General Annual Grant (GAG)	-	33,667,449	(28,481,655)	(4,644,606)	-	541,188
Free School Meals	-	142,244	(142,244)	-	-	-
Pupil Premium	890	2,424,557	(2,530,098)	110,131	-	5,480
Nursery funding	-	300,645	(289,323)	-	-	11,322
SEN funding	-	285,590	(284,022)	(1,762)	-	(194)
PE Grant	-	86,770	(96,927)	10,157	-	-
Start Up Grants	133,482	473,787	(466,754)	(6,251)	-	134,264
SSIF	-	327,143	(327,143)	-	-	-
Bursary funding	21,752	73,223	(81,604)	23,074	-	36,445
Lease funding	-	616,000	(616,000)	-	-	-
Schools Condition Allocation (SCA)	858,587	-	(1,166,404)	1,724,465	-	1,416,648
SRB	-	284,375	(261,638)	(20,330)	-	2,407
Maths Hub	15,787	512,323	(520,055)	-	-	8,055
Other restricted funds	38,899	411,815	(397,359)	1,318	-	54,673
Year 7 Catch Up	-	144,663	(105,572)	(32,745)	-	6,346
Teaching school	-	50,000	(50,000)	-	-	-
TSST	-	60,000	(60,000)	-	-	-
Revenue expenditure from Capital Funds	-	-	(126,983)	126,983	-	-
Pension reserve	(8,099,000)	-	(2,994,000)	1,442,000	3,331,000	(6,320,000)
	<u>(7,029,603)</u>	<u>39,860,584</u>	<u>(38,997,781)</u>	<u>(1,267,566)</u>	<u>3,331,000</u>	<u>(4,103,366)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

20. Statement of funds (continued)

	<i>Balance at 1 September 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2018 £</i>
Restricted fixed asset funds						
Capital expenditure from GAG	333,466	-	(158,453)	67,088	-	242,101
DFC	227,767	157,001	(58,291)	(114,581)	-	211,896
Capital funding for building project	15,196,602	70,523	(325,212)	-	-	14,941,913
Capital funding for other assets	1,089,463	254,975	(506,548)	(12,402)	-	825,488
Assets transferred from other trust	47,212,502	-	(116,286)	-	-	47,096,216
Assets transferred on conversion	21,310,798	-	(1,339,403)	-	-	19,971,395
ACMF	387,939	-	(12,126)	-	-	375,813
Capital expenditure from unrestricted	4,309	-	(2,568)	-	-	1,741
Donations in kind	2,288	-	(5,542)	-	-	(3,254)
Capital expenditure from SCA	1,386,396	-	(72,518)	341,278	-	1,655,156
IT capital funding	60,368	-	(23,538)	-	-	36,830
Capital expenditure from SSIF	4,797	-	(480)	-	-	4,317
Capital expenditure from start up grants	29,389	-	(17,844)	-	-	11,545
SCA	-	2,065,743	-	(2,065,743)	-	-
Salix Loan	-	-	(9,764)	-	-	(9,764)
	<u>87,246,084</u>	<u>2,548,242</u>	<u>(2,648,573)</u>	<u>(1,784,360)</u>	<u>-</u>	<u>85,361,393</u>
Total Restricted funds	<u>80,216,481</u>	<u>42,408,826</u>	<u>(41,646,354)</u>	<u>(3,051,926)</u>	<u>3,331,000</u>	<u>81,258,027</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

20. Statement of funds (continued)

	<i>Balance at 1 September 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2018 £</i>
Total funds	81,205,009	43,528,350	(45,743,741)	-	3,331,000	82,320,618

21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	85,491,139	85,491,139
Fixed asset investments	1	-	-	1
Current assets	2,318,545	7,673,064	652,581	10,644,190
Creditors due within one year	(40,708)	(5,954,597)	(37,444)	(6,032,749)
Creditors due in more than one year	-	-	(241,045)	(241,045)
Provisions for liabilities and charges	-	(13,047,000)	-	(13,047,000)
Total	2,277,838	(11,328,533)	85,865,231	76,814,536

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	85,371,644	85,371,644
Fixed asset investments	1	-	-	1
Current assets	1,187,332	6,874,039	290,814	8,352,185
Creditors due within one year	(124,742)	(4,657,405)	(22,936)	(4,805,083)
Creditors due in more than one year	-	-	(278,129)	(278,129)
Provisions for liabilities and charges	-	(6,320,000)	-	(6,320,000)
Total	1,062,591	(4,103,366)	85,361,393	82,320,618

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

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

	2019 £	2018 £
Net expenditure for the year (as per Statement of financial activities)	(7,082)	(2,215,391)
Adjustments for:		
Depreciation charges	2,601,005	2,648,573
Dividends, interest and rents from investments	(3,440)	(2,742)
Decrease in debtors	437,946	(109,372)
Increase in creditors	1,213,158	538,136
Capital grants from DfE and other capital income	(2,571,874)	(2,548,242)
Defined benefit pension scheme cost less contributions payable	1,039,000	1,332,000
Defined benefit pension scheme finance cost	189,000	220,000
Assets donated from ESFA	(2,289,285)	-
Net cash provided by/(used in) operating activities	608,428	(137,038)

23. Cash flows from financing activities

	2019 £	2018 £
Cash inflows from new borrowing	-	296,670
Repayments of borrowing	(22,576)	(13,401)
Net cash (used in)/provided by financing activities	(22,576)	283,269

24. Cash flows from investing activities

	2019 £	2018 £
Dividends, interest and rents from investments	3,440	2,742
Purchase of tangible fixed assets	(431,215)	(929,290)
Capital grants from DfE Group	2,656,461	2,548,242
Net cash provided by investing activities	2,228,686	1,621,694

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**NOTES TO THE FINANCIAL STATEMENTS
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25. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	8,676,808	5,862,270
Total cash and cash equivalents	8,676,808	5,862,270

26. Capital commitments

	2019 £	2018 £
Contracted for, but not provided in the financial statements	119,428	-

27. Pension commitments

The Trust's employees belong to two principal pension schemes: the Teachers' 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 both Norfolk County Council and Suffolk County Council. Both are multi-employer defined benefit schemes.

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

A further valuation of the LGPS was underway at the date of signing of these accounts, but the results were not finalised and therefore are not reflected within this note.

Contributions amounting to £494,703 were payable to the schemes at 31 August 2019 (2018 - £465,330) and are included within creditors.

Teachers' Pension Scheme

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

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

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**NOTES TO THE FINANCIAL STATEMENTS
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27. 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 2016 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 in March 2019. The key elements of the valuation and subsequent consultation are:

- an increase in employer rates from 16.48% to 23.68% of pensionable pay (including a 0.08% employer administration charge), this rise has been delayed from 1 April 2019 to 1 September 2019
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- there will be funding from the DFE for the financial year 2019/20 to help maintained schools and academies meet the additional costs resulting from the scheme valuation. Funding for 2020/21 onwards will be discussed as part of the next Spending Review round.

The TPS valuation for 2016 determined an employer rate of 23.6%, which is payable from September 2019. The next valuation of the TPS will be at March 2020 and will be based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £2,603,458 (2018 - £2,481,722).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The 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 pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £1,912,000 (2018 - £1,847,000), of which employer's contributions totalled £1,497,000 (2018 - £1,442,000) and employees' contributions totalled £415,000 (2018 - £405,000). The agreed contribution rates for future years are 16.5 - 27.8 per cent for employers and 5.5 - 12.5 per cent 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

27. Pension commitments (continued)

Principal actuarial assumptions

	2019	2018
	%	%
Discount rate (Norfolk)	1.90	2.80
Salary increase rate (Norfolk)	2.60	2.60
Pension increase rate (Norfolk)	2.30	2.30
Discount rate (Suffolk)	1.80	2.80
Salary increase rate (Suffolk)	2.60	2.70
Pension increase rate (Suffolk)	2.30	2.40

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

	2019	2018
	Years	Years
<i>Retiring today</i>		
Males (Norfolk, Suffolk)	21.1, 21.3	22.1, 21.9
Females (Norfolk, Suffolk)	23.5, 23.5	24.4, 24.4
<i>Retiring in 20 years</i>		
Males (Norfolk, Suffolk)	22.4, 22.3	24.1, 23.9
Females (Norfolk, Suffolk)	25.0, 24.9	26.4, 26.4

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

	At 31 August 2019	At 31 August 2018
	£	£
Equities	10,566,960	9,863,720
Bonds	7,442,820	6,146,100
Property	2,909,160	2,183,320
Cash	579,060	500,860
Total market value of assets	21,498,000	18,694,000

The actual return on scheme assets was £1,045,000 (2018 - £1,006,000).

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**NOTES TO THE FINANCIAL STATEMENTS
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27. Pension commitments (continued)

The amounts recognised in the Statement of financial activities are as follows:

	2019 £	2018 £
Current service cost	(2,443,000)	(2,768,000)
Past service cost	(93,000)	(6,000)
Interest income	548,000	420,000
Interest cost	(737,000)	(640,000)
Total amount recognised in the Statement of financial activities	(2,725,000)	(2,994,000)

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

	2019 £	2018 £
At 1 September	25,014,000	24,098,000
Current service cost	2,443,000	2,768,000
Interest cost	737,000	640,000
Employee contributions	415,000	405,000
Actuarial losses/(gains)	5,996,000	(2,745,000)
Benefits paid	(153,000)	(158,000)
Losses on curtailments	-	6,000
Past service costs	93,000	-
At 31 August	34,545,000	25,014,000

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

	2019 £	2018 £
At 1 September	18,694,000	15,999,000
Interest income	548,000	420,000
Actuarial gains	497,000	586,000
Employer contributions	1,497,000	1,442,000
Employee contributions	415,000	405,000
Benefits paid	(153,000)	(158,000)
At 31 August	21,498,000	18,694,000

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FOR THE YEAR ENDED 31 AUGUST 2019**

28. Operating lease commitments

At 31 August 2019 the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	316,559	291,854
Later than 1 year and not later than 5 years	746,282	871,577
Later than 5 years	1,296,634	1,396,440
	<u>2,359,475</u>	<u>2,559,871</u>

29. 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.

30. Related party transactions

Owing to the nature of the Trust and the composition of the Trust Board being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trust have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Income Related Party Transactions

During the year, Mr D Tibble, a Member and Trustee of the Trust, donated £8,153 (2018: £9,578) to the Trust.

During the year, Lord Agnew, a Member of the Trust to 5 February 2019, donated £10,000 (2018: £20,000) to the Trust.

During the year £16,015 (2018: £30,000) was received from Norfolk Community Foundation, which administers a fund set up by Lord Agnew, a Member of the Trust. From these funds, £15,649 was recognised within creditors as deferred income and £366 was recognised as income during the year.

During the year £268 (2018: £Nil) was received from Outwood Grange Academies Trust to cover expenses paid to a Trustee. David Earnshaw, a Trustee, is also a Trustee of Outwood Grange Academies Trust.

During the year the Trust received funding of £19,202 from Ambition Institute. Dame R de Souza, a Trustee of the Trust, became a Trustee of Ambition Institute on 30 September 2018.

INSPIRATION TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
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30. Related party transactions (continued)

Expenditure Related Party Transactions

During the year the Trust paid £3,000 (2018: £Nil) to Mrs M Hollingsworth MBE, a Member, for consultancy services. In entering into this transaction, the Trust has complied with the requirements of the Academies Financial Handbook 2018.

During the year the Trust paid £12,142 to Ambition Institute for the provision of staff development and training. Dame R de Souza, a Trustee of the Trust, became a Trustee of Ambition Institute on 30 September 2018. In entering into this transaction, the Trust has complied with the requirements of the Academies Financial Handbook 2018.

During the year the Trust paid £1,000 to Villiers Park Educational Trust as a donation towards administration costs of the Scholars' Programme. Adrian Ball, Chief Operating Officer of the Trust to 31 August 2019, is a Trustee of Villiers Park Educational Trust.

Connected charities

Friends of Hethersett Academy and Friends of Cromer Academy Trust are unincorporated charities which fundraise for the respective schools.

Friends of Hethersett Academy (Registered Charity: 285898) had gross income of £3,494 and gross expenditure of £2,244 for the year ended 31 July 2018.

Friends of Cromer Academy Trust (Registered Charity: 800502) had gross income of £4,528 and gross expenditure of £4,123 for the year ended 31 October 2018.

During the year donations totalling £1,083 were received from Friends of Cromer Academy Trust and donations totalling £120 were received from Friends of Hethersett Academy.

31. Agency arrangements

The Trust distributes bursaries to trainee teachers on the SCITT programme as an agent for the Department for Education. In the accounting period ending 31 August 2019 the Trust received £501,000 and disbursed £501,000 from the fund. No balance of funds was held at the Balance Sheet date.

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**NOTES TO THE FINANCIAL STATEMENTS
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32. Teaching school trading account

	2019 £	2019 £	2018 £	2018 £
Income				
Direct Income				
Other grants	40,000		50,000	
Total income		40,000		50,000
Expenditure				
Direct Expenditure				
Direct staff costs	36,441		43,624	
Educational consultancy	-		410	
Total direct expenditure	36,441		44,034	
Other Expenditure				
Other staff costs	158		2,762	
Support staff costs	3,945		1,835	
Research, marketing and rebranding	-		1,255	
Other support costs	-		114	
Total other expenditure	4,103		5,966	
Total expenditure		40,544		50,000
Transfers between funds excluding depreciation		544		-
Surplus from all sources		-		-
Teaching school balances at 31 August 2019		-		-