



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

**Annual Report and Financial Statements**

**Year ended 31 August 2021**



Company Registration Number:  
08287012 (England and Wales)

# **Inspire Multi Academy Trust**

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# Inspire Multi Academy Trust

## Reference and Administrative Details

<b>Members</b>	C Dumighan (nee Brown) J Chadd M Foster S Ruffell S Winfield (from 18 January 2021)	
<b>Trustees</b>	A Parr C Graham E Bolton E Scribbins H Brown J Ord (from 9 September 2021) J West (Chief Executive Headteacher and Accounting Officer) M Byers (resigned 19 March 2021) S Ruffell (Chairman)	
<b>Company Secretary</b>	S Allan	
<b>Senior Management Team</b>	Chief Executive Headteacher and Accounting Officer Executive Bursar and Chief Financial Officer Lead Headteacher	J West A McCully T Pizl
<b>Company Name</b>	Inspire Multi Academy Trust	
<b>Principal and Registered Office</b>	Archer Road Farringdon Sunderland SR3 3DJ	
<b>Company Registration Number</b>	08287012 (England and Wales)	
<b>Independent Auditor</b>	Azets Audit Services Wynyard Park House Wynyard Avenue Wynyard TS22 5TB	
<b>Bankers</b>	Lloyds TSB Fawcett Street Sunderland Tyne & Wear SR1 1SF	
<b>Solicitors</b>	Thorp Parker Newtons 13 High Street Stokesley Middlesbrough TS9 5AD	

# **Inspire Multi Academy Trust**

## **Trustees' Report**

### **For The Period Ended 31 August 2021**

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2020 to 31 August 2021. The annual report serves the purpose of both a trustees' report, and a directors' report under company law.

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

Our academies are situated in areas of deprivation across the City of Sunderland. The trust has an overall pupil capacity of 1,440. In the school census from spring term 2021 the actual number on roll within each academy was:

- Burnside - 179
- Farrington - 408
- Fatfield - 230
- New Penshaw - 178
- Plains Farm – 198

### **Structure, Governance and Management**

#### **Constitution**

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

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

#### **Members' Liability**

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

#### **Trustees' Indemnities**

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

#### **Method of Recruitment and Appointment or Election of Trustees**

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

Recruitment of trustees is administered and managed through recruitment and selection processes, which includes the formation of role profiles and role specifications. Vacancies on the Board of Trustees are advertised externally, through recruitment partners, which include Academy Ambassadors, Governors for Schools or Inspiring Governance Service as well as the academy trust website.

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

Candidates are assessed through a competitive interview process administered by a selection panel.

This process helps to ensure the strongest candidates are considered for vacant posts.

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

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

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

### **Policies and Procedures Adopted for the Induction and Training of Trustees**

Following their appointment, all new trustees receive an introduction to their role delivered by the Chair of trustees and the CEH; this includes a visit to our academies and the opportunity to meet members of the Central Team and Senior Leadership Teams, staff and pupils. Newly appointed trustees or local governors are assigned a mentor to support their induction into their role.

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

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

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

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

### **Organisational Structure**

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

- Members
- Trustees
- Academy Local Governing Bodies

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

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

## Inspire Multi Academy Trust

### Trustees' Report (continued)

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

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

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

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

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

#### Arrangements for Setting Pay and Remuneration of Key Management Personnel

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

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

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

#### Trade Union Facility Time

##### Relevant Union Officials

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

##### Percentage of Time Spent on Facility Time

Percentage of Time	Number of Employees
0%	0
1%-50%	0
51%-99%	0
100%	0

# Inspire Multi Academy Trust

## Trustees' Report (continued)

### Percentage of Pay Bill Spent on Facility Time

Provide the total cost of facility time	£0
Provide the total pay bill	£5.09m
Provide the percentage of the total pay bill spent on facility time, calculated as: $\frac{\text{total cost of facility time}}{\text{total pay bill}} \times 100$	0

### Paid Trade Union Activities

Time spent on paid trade union activities as a percentage of total paid facility time hours, calculated as: $\frac{\text{total hours spent on paid trade union activities by relevant union officials during the relevant period}}{\text{total paid facility time hours}} \times 100$	0
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An amount of £7,468 has been paid for the Trade Union Facility service level agreement (SLA) in 2020/21. This SLA is administered via Sunderland City Council to assist and support industrial relations within Inspire Multi Academy Trust.

### Related Parties and other Connected Charities and Organisations

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

We continue to develop professional links with other MATs, schools, academies, colleges and other businesses where these partnerships assist in the academy trust's objectives. The CEH will be deployed in 2021/22 to support schools in Durham as part of the DfE Trust School Improvement offer.

### Objectives and Activities

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

### Objects and Aims

As a result of the ongoing pandemic, children did not fully complete their education in 2020/21 academic year due to the national lockdown from January to March 2021. The year was also significantly impacted by exceptionally high rates of absence in the autumn term linked to Covid cases and self-isolation criteria, both within school bubble closure and community transmission. The second half of the summer term also saw high rates of absence linked to Covid-19. End of Key Stage external data outcomes were not asked for as the government cancelled external assessments for the second year. However, a full suite of assessments was completed internally, which demonstrated good progress across the Trust from the very low September baseline attainment. Key priorities were identified and built upon through the year and any outstanding issues or developments from the summer term assessments have been built into School Improvement Plans for 2021/22.

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

- To ensure that the process of education is a partnership between the learner, the school and the parents, together with trustees, employers and the community.

## **Inspire Multi Academy Trust**

### **Trustees' Report (continued)**

- To keep the pupil at the centre of this process, knowing that they have various talents and aspirations that need encouragement to develop.
- To raise standards through a relentless focus on individual achievement/attainment, effective use of new technologies and a higher percentage of outstanding teaching and leadership and management, ensuring at least good progress.
- To challenge all in the academy trust's community to fulfil their responsibilities ensuring accountability and improvement.
- To motivate and inspire all pupils and enable them to be confident, independent lifelong learners equipped to meet the challenges of the 21st century within an outstanding, safe and nurturing environment.
- To ensure all pupils and staff show regard and respect for each other and everyone in the academy trust's communities play a full part in creating a caring, respectful and supportive school environment.
- To foster pupils outstanding behaviour avoiding all forms of bullying, radicalisation and extremism.
- To ensure that no child or group of children is disadvantaged through 'lost learning' linked to the Covid-19 pandemic.

#### **Objectives, Strategies and Activities**

##### **Inspire Multi Academy Trust Development Plan Priorities for 2021/22**

As a result of the Covid-19 pandemic, children did not complete their education in 2020/21 academic year with a full year of face-to-face teaching, whilst effective remote learning was implemented from January to March 2021, this is not as effective as pupils attending face-to-face teaching with our highly skilled staff.

Absence rates linked to Covid-19 were exceptionally high in the autumn and high in the second half of the summer term. For the second academic year in a row, end of Key Stage external data outcomes were not required by the government and will not be used by Ofsted as an accountability measure. Ofsted will use the last published, validated data for the academy as a starting point for the next inspection (2019 data). Therefore, the following priorities have been identified for the 2021/22 academic year:

**Priority 1:** As a result of systematic and strategic challenge from the CEH and strong teaching, Inspire MAT Trustees ensure that gaps in learning created by 'lost learning'/Covid-19 are narrowed, ensuring outcomes for pupils are at least in line with, or above National expectations for progress and attainment at all Key Stages.

- Achieve an Ofsted 'Good' rating for Farringdon when next inspected.
- Improve levels of progress across the academy trust from average to above average in all subjects.
- Specifically improve progress rates in Reading and Maths within New Penshaw Academy (linked to 2019 data outcomes).
- Ensure that combined attainment measure is consistently in line with or above National average attainment in each academy.



## Inspire Multi Academy Trust

### Trustees' Report (continued)

- Continue to improve the attainment and progress of disadvantaged pupils compared to their non-disadvantaged peers within identified cohorts and subjects.
- Ensure that all identified vulnerable groups make accelerated progress towards their targets linked to their identified gaps.
- Attendance improves across the Trust, closing the gap between school and National levels.
- Implement the school-led National Tutoring offer across the Trust.
- Fully implement the new EYFS framework expectations linked to curriculum and assessment from September 2021.

**Priority 2:** Inspire MAT Trustees effectively ensure that leadership capacity at all levels is developed through highly effective CPD, strong financial management and governance with well-embedded succession planning, enabling improved outcomes for pupils.

- Implement trust wide CPD opportunities, both internal and external for: teaching assistants, early career teachers, newly qualified teachers, teachers, aspiring middle leaders, middle leaders, catch-up leaders, senior leaders and head teachers.
- Fully implement the Early Career Framework.
- Develop strong working partnership with Northern Lights Teaching School hub and continue to work with English Hub and DfE programmes e.g. Nuffield Early Language Intervention (NELI).
- Enable further School Resource Management deployments (Inspire HR/Finance Manager) to support the DfE School Resource Management Advisor (SRMA) programme.
- Enable the CEH to provide support to schools 'Requiring Improvement' in Durham through the DfE Trust School Improvement offer.
- Enable the Lead Head teacher to provide support to Local Authority maintained schools as requested by Together for Children (TfC).
- Enable the Business Relationships and Governance Manager to support schools buying in a contracted governor support and clerking service.
- Continue with strong financial management to work strategically to mitigate risk of any potential deficit within 3-5 year budget planning.
- Ensure audit outcome continue to provide high levels of assurance for robust financial management.

**Priority 3:** As part of the pandemic recovery, continue to develop and promote strategies which support the well-being and mental health of all stakeholders.

- Continue to develop staff and pupil well-being through specific strategies achieving the Mental Health Bronze/Silver Charter Mark within each academy.
- All academies achieve the Sunderland Healthy School award.

## Inspire Multi Academy Trust

### Trustees' Report (continued)

- Inspire Trust sign up to the DfE Education Staff Well-being Chartermark and implement associated strategies.
- SENDCo ensures that appropriate mental health support is available for identified children internally, through Fun Friends, Relax Kids and externally through Child and Adolescent Mental Health Services (CAMHS).

**Priority 4:** Inspire MAT trustees work strategically in collaboration with the DfE and Risk Protection Arrangement (RPA) to ensure Burnside Academy estate is restored and fit for educational purpose and that the quality of education remains good during this time.

- Agreed timescales on all building work are met.
- Burnside pupils and staff are being educated back on site in temporary accommodation by 1st November 2021.
- Strategic relations and planning continue within the DfE/RPA and Inspire MAT.
- Wider drainage issues work provides a resilient and long-term solution for the academy.

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

- Effective Board of Members and Trustees, with a wide strategic skill set that is compliant with DfE structures.
- Robust financial management and leadership within each academy as well as at Trust level, with a strong record of achieving substantial levels of assurance within both internal and external audits.
- Effective 3-5 year budget planning and benchmarking informs decisions around developing structures and growth. This process is supported and challenged by the Finance, Staffing, Audit and Risk Committee/Board of Trustees.
- High quality leadership at all levels and strong cycle of accountability for improvements to pupil progress and attainment outcomes at all levels.
- Effective coaching programme within each academy to secure improvements within learning and teaching, middle leadership and pupil outcomes.
- Effective use of pupil voice to support decision making within each academy.
- Agreed robust accountability and performance management procedures with swift action if non-compliance.
- HR/Finance Manager is a qualified SRMA and provides professional advice and support.
- Effective relationships between the DfE, the CEH and the Trust in terms of negotiating any planned growth. CEH is a member of the Regional Schools Commissioner (RSC) North CEO Network Group and a recognised System Leader who is supporting the DfE Trust and School Improvement offer in Durham.

# **Inspire Multi Academy Trust**

## **Trustees' Report (continued)**

### **Public Benefit**

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

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

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

Unfortunately, due to Covid-19 restrictions, lettings were disrupted throughout 2020/21. This had a negative impact on local communities and planned income from lettings.

### **Strategic Report**

#### **Achievements and Performance**

The effective strategic planning, systems and working relationships across the academy trust ensures that our capacity for further improvement is strong. The CEH is a system leader who is being brokered, by the DfE, to support schools with a 'Requires Improvement' judgement in Durham under the Trust and School Improvement offer for 2021/22. The Lead Head teacher is supporting the governance of an academy within a neighbouring Trust as Chair of Governors and is supporting a local school whilst they await the appointment of a substantive head teacher. The HR and Finance Manager is a qualified SRMA, whose skill set supports the strategic financial benchmarking and 3-5-year financial planning of the Trust.

Achievements this year have again taken place within an unprecedented context. Staff at all levels have demonstrated a response, which was the embodiment of our vision for children and showed that we are, once again, truly a family of schools.

As with all academies and schools nationally, in line with the Government directive our academies were temporarily closed to the vast majority of pupils from January - March 2021 as a result of the Covid-19 pandemic.

We continued to work in line with all government advice and DfE directives in partnership with Together for Children Sunderland Limited who have a key role in organising childcare provision across the city with support from the Regional School Commissioner and her team. Our staff team responded quickly and professionally to new information and expectations from government. Ensuring that all of our critical worker and vulnerable children had access to face-to-face learning during periods of wider and sudden school closure as well as the more localised closure of bubbles. As well as, FSM provision, access to a quality and reviewed remote learning offer and positive messages and effective and regular communication to support well-being.

Our Business Continuity Plans, external advice from Health and Safety and audit teams, consultation with union colleagues via JCC as well as effective agreed risk assessments have ensured that we were able to respond appropriately and continue to deliver a service that supported all of our staff and children well in unprecedented times, whilst complying with national expectations.

Online learning plans were again implemented and reviewed, the quality of which enabled each academy to be awarded the Teach Well Gold Award during the previous wider closing of schools. Additional laptops from the government were bid for and received enabling us to ensure that our pupils who needed online access received it, supporting their ability to engage in online/ remote learning.

## **Inspire Multi Academy Trust**

### **Trustees' Report (continued)**

All academies are working within the Bronze Mental Health Charter Mark, or towards the Silver Mental Health Chartermark, continuing to develop the well-being of all pupils and staff through the five pillars of mental health.

Financial systems continued to remain robust throughout the year, with Central Team working remotely and flexibly via Teams meetings enabling the Finance, Staffing, Audit and Risk Committee and the Board of Trustees to meet deadlines and ensure propriety. Internal termly audits have found a substantial level of assurance and regularity in all actions and decisions.

#### **Key Performance Indicators**

As in the 2019/20 report, four academies within the Trust were re-inspected by Ofsted in 2018/19 and all retained their good Ofsted judgement. New Penshaw improved its EYFS judgement to Good from Requires Improvement and so is now good in all key judgements. Farringdon is still to be re-inspected, however, prior to the assessment disruption caused by the Covid-19 pandemic, it has published two years of KS2 combined attainment in line with National average and significantly higher than National average since the Requires Improvement inspection.

For the second year, government guidance confirmed that any external reporting of attainment and progress - EYFS GLD, Phonics Screen, Key Stage 1 (KS1) and Key Stage 2 (KS2) attainment would not take place. KS2 SATs and the new Year 4 times table tests were cancelled and no performance tables are to be published on the Government website.

All pupils across the Trust completed baseline assessments on their return to school in September 2020, in order to assess any further gaps exacerbated by the summer holidays and to quickly identify interventions for the autumn term. Despite the January wider closing of schools, our assessment cycle was implemented across the year and was marked, moderated and analysed to determine progress rates from the September baseline assessment and identify further interventions and curriculum focus.

Significant rates of progress, from their starting points, across the Trust took place in the autumn term in all subjects, in spite of bubble closures which occurred. This progress slowed across the spring term where there was a wider school closure at National level. By the summer term end of year assessments pupils' progress again increased from their starting point in September. For the majority of pupils in the majority of subjects the percentage of pupils attaining at Age Related Expectations (ARE) or above improved from their September baseline. However, further accelerated progress is needed from summer term exit data in order to secure attainment at historic national levels. Attainment within writing was lower in some cases than reading and maths, this was linked to resilience in writing and vocabulary and writing structure development. Attainment at above ARE for our more able pupils is an identified priority, as is narrowing the gap between our disadvantaged and non-disadvantaged pupils and ensuring that pupils with SEND make consistently good progress linked to 'lost learning' during lock down.

'Reading Plus' online intervention for KS2 secured rapid progress for KS2 pupils during the year and will continue to be used for 2021/22. The teaching of writing was evaluated by the Catch up Leader for English and the 'Read to Write' programme was trialled with significant success in terms of accelerated progress for pupils. CPD was implemented across the Trust and this approach will be fully implemented in the 2021/22 academic year. Read, Write Inc. continues to support effective phonics teaching across the Trust and is a DfE approved SSP programme. The EYFS Catch up Leader worked with EYFS leaders across the Trust in the implementation of the NELI programme aimed at developing and improving early language. This work will continue into 2021/22. The Maths Catch up Leader trialled the 'CLICK Maths' programme within New Penshaw and has implemented CPD in order to roll out this approach to improve fluency within number and calculation. The impact of these interventions will be closely evaluated and analysed through the assessment and challenge cycle.

Attendance was a key performance indicator priority for the 2020/21 academic year. Covid-19 and the subsequent closure of schools for the majority of pupils in the spring term has had an impact on this priority. Academies experienced very high levels of absence linked to Covid-19 in the autumn term and high levels again in the summer term. As with last academic year all robust attendance management and safeguarding protocols remained in place for all of our children.

# Inspire Multi Academy Trust

## Trustees' Report (continued)

Designated Safeguarding Leads and Head teachers worked consistently with identified families and external agencies throughout the pandemic situation. Staff ensured that welfare calls took place to support both families and children throughout the periods of wider school closures as well as the autumn and summer term.

Attendance remains a key priority for 2021/22.

### Going Concern

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

### Financial Review

Most of the academy trust's income is obtained from the Department for Education (DfE) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants, including the General Annual Grant (GAG) received during the period covered by this report and the associated expenditure are shown as restricted funds in the Statement of Financial Activities on page 29.

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

In 2020/21, the academy trust invested GAG surpluses to further support the following academy projects:

- £34,051 was awarded to Burnside Academy to support remedial works to address priorities identified in the condition data collection reports from ESFA/DfE. Remedial works included:
  - Flooring replacement £10,527
  - Lighting upgrade (internal and external) £14,797
  - Paving works £8,727
- £12,028 was awarded to Farringdon Academy to support remedial works to address priorities identified in the condition data collection reports from ESFA/DfE. Remedial works included:
  - Replacement of hard standing/surfaces £12,028
- £29,296 was awarded to Fatfield Academy to support remedial works to address priorities identified in the condition data collection reports from ESFA/DfE. Remedial works included:
  - Lighting upgrade £18,966
  - Paving works £10,330
- £17,038 was awarded to New Penshaw Academy to support remedial works to address priorities identified in the condition data collection reports from ESFA/DfE. Remedial works included:
  - Underground drainage £3,896
  - Replacement flooring £3,772
  - Asbestos removal beneath flooring £3,140
  - Nursery toilet refurbishment £5,130
  - Drainage to staff car park £1,100
- £33,909 was awarded to Plains Farm Academy to support remedial works to address priorities identified in the condition data collection reports from ESFA/DfE. Remedial works included:
  - Surfacing of staff car park £20,896
  - Toilet refurbishment £13,013
- £6,576 to support the formation of Catch Up Leadership posts, to work across the Inspire family of academies and support staff to accelerate the progress of identified pupils, narrowing any gaps in progress or attainment, as a result of lost learning during the pandemic.

## Inspire Multi Academy Trust

### Trustees' Report (continued)

- £26,370 was awarded to New Penshaw Academy to support the refurbishment of the EYFS outdoor play area.
- £100k funding was approved to support the following IT projects, of which, goods and services would be procured in the 2021/22 academic year:
  - Server replacement totalling £47,074 at Farringdon Academy, Fatfield Academy, New Penshaw Academy and Plains Farm Academy.
  - IT hardware replacement totalling £50,595 at Burnside Academy, Farringdon Academy, Fatfield Academy, New Penshaw Academy and Plains Farm Academy

During the period ending 31 August 2021 expenditure amounting to £7,663,864 was incurred or accrued, £6,768,750 excluding depreciation and LGPS expenses. This was offset entirely by grants receivable from the Education and Skills Funding Agency (ESFA), Local Authority grants and other funds.

In July 2021, £33,001 was received in respect of the Devolved Formula Capital (DFC) grants.

In August 2021, £3,855 was received from Government in relation to Covid-19 expenditure academies had incurred.

In accordance with the Charities SORP 2019, the DFC grants received are shown in the Statement of Financial Activities as restricted asset funds.

Pupil numbers have risen slightly this year and this continues to be monitored closely across the trust. Academies continue to provide full time nursery provision linked to the Government's 30-hour free childcare agenda. Academies continue their drive to promote the schools through targeted promotional campaigns and advertising opportunities, which included, Raring 2 Go magazine publication, Doctor Surgery Medical Cards and promotional banners.

#### Reserves Policy

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

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

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

As of 31 August 2021 the level of trust reserves held in restricted funds not available for general purposes is £389,055 plus a balance of unrestricted general funds of £671,078 giving a net surplus of £1,060,133. The Board of Trustees have reviewed the reserve levels and believe that they should provide sufficient working capital to cover its aims and objectives.

Due to the ongoing costs associated with managing the Covid-19 response, trustees will consider supporting unforeseen costs from reserves in 2021/22.

The reserves policy confirms that a surplus or a deficit position for the pension scheme would generally result in a cash flow effect for the academy trust in the form of an increase or decrease of the employer's pension contributions over a period of years.

# **Inspire Multi Academy Trust**

## **Trustees' Report (continued)**

### **Investment Policy**

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

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

### **Principal Risks and Uncertainties**

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

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

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

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

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

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

In the academic year of 2020/21, moving into 2021/22, we are experiencing ongoing turbulence linked to the Covid-19 pandemic situation and the impact this has had and continues to have upon our academies. The exceptional and ongoing risks to business continuity of the trust includes financial risks linked to ensuring Covid secure premises for staff and pupils e.g. PPE, supply staff costs and the impact from ongoing staffing turbulence.

Trustees have ensured that 2020/21 budgets were effectively managed and met all of the school needs. Trustees have mitigated further risk through prudent budget planning and monitoring to ensure ongoing financial sustainability. Balanced budgets for 2021/22 were set, evidencing good financial planning.

# Inspire Multi Academy Trust

## Trustees' Report (continued)

### Fundraising

All fundraising activity is administered via appropriate staff employed by each Academy and is overseen by the Head teacher. All funding raised from activities support the furtherance of school and academy trust objectives and the outcomes of fundraising are reported to Parents and other relevant stakeholders.

Fundraising has been a challenge this year, as the ongoing Covid-19 pandemic has restricted traditional face-to-face fundraising activity. This year our academies have worked proactively to fundraise to support in year budgets with identified projects, raise the profile of the academy within the community and to support local charities. This has been conducted with all staff, embracing pupil voice through the work of the School Council. The fundraising linked to charity work supports the academies work within the Mental Health Charter Mark Award, which all academies are engaging with.

Key fundraising activities this year have included:

- Bake sales
- Craft sales such as Christmas card sales
- Christmas jumper days
- Christmas parties
- Cinema days
- Competitions such as 'Guess the Height', 'Football Week' and 'Penalty Shoot Out'
- Halloween fancy dress and Halloween celebrations
- Maths fundraising activities
- Non-uniform day
- Raffles
- Science donations
- Tuck shop
- Community Winter Wonderland donations

Fundraising activities have been severely impacted as a result of the Covid-19 pandemic, including national closure of schools and social distancing restrictions. This remained the case for the majority of the academic year in terms of financial donations. Each academy worked with the Magic Breakfast programme and Food Bank during the pandemic to support donations of food and breakfast items to our families during the lock down period.

Grant funding has also supported specific projects linked to Academy Improvement as follows:

#### Burnside:

- £500 awarded by the Magic Breakfast to support the provision of a breakfast programme for pupils.
- £2,160 from Sir Tom Cowie Trust to support the provision of a school counsellor.
- £500 awarded by the Music Hub to support the development of music provision.

#### Farringdon:

- £1,200 awarded by the Football Foundation to support the purchase of football goals.
- £593 awarded by Sunderland City Council Community Chest to support repairs to the cost of football goals.
- £1,375 awarded by the Greggs Breakfast Club to support the provision of a breakfast programme for pupils.
- £1,000 awarded by the Kellogg's Breakfast Club Grant Scheme to support the provision of a breakfast programme for pupils.
- £1,076 awarded by the Wellbeing Project to support wellbeing activities across the academy.



## **Inspire Multi Academy Trust**

### **Trustees' Report (continued)**

#### **Fatfield:**

- £1,230 awarded by Sunderland City Council Community Chest to support the purchase of a camera, props etc. to support the end of year production.
- £500 awarded by Sunderland City Council Community Chest to support the 'Can Do Garden Project', enabling pupils to develop of the school garden.
- £567 awarded by the Music Hub to support the development of music provision.

#### **New Penshaw:**

- £1,000 awarded from Sunderland City Council Community Chest to support the formations of a stay and play toddler group.
- £1,200 awarded by the Greggs Breakfast Club to support the provision of a breakfast programme for pupils.
- £300 awarded by the Kick Start programme to support science week.
- £1,000 awarded by the Music Hub to support the development of music provision.
- £500 awarded by Family Line to support the provision of a breakfast programme for pupils.
- £1,000 awarded by Sporting Futures following the placement of an apprentice.

#### **Plains Farm:**

- £1,000 awarded from Sunderland City Council Community Chest to develop the Secret Garden project.
- £1,170 awarded from Sunderland City Council Community Chest to support the purchase of musical instruments.
- £1,000 awarded from the Kellogg's Breakfast Club Grant Scheme to support the provision of a breakfast programme for pupils.
- £500 awarded by the Magic Breakfast to support the provision of a breakfast programme for pupils.

Each academy will proactively review areas of grant funding to support academy budgets in 2021/22.

#### **Plans for Future Periods**

- Our primary focus for the Trust in 2021/22 is to continue to support staff and pupils within the learning environments following the disruption to learning brought about by the Covid-19 pandemic of 2019/20 and 2020/2021 academic year. Strategies to support the mental well-being of staff and pupils have been incorporated into the planning of each academy. Bronze Mental Health Charter marks have been achieved and work to achieve the Silver Mental Health Chartermark has begun.
- Reviewed curriculum planning has been developed ready for roll out in the 2021/22 academic year which further takes account of gaps in pupils' learning, identified through data analysis, from the previous academic year.
- Remote Learning plans and Outbreak Management plans, incorporating online learning, blended learning approaches and additional restrictions and guidance have been developed using the evaluation of similar plans used during the previous pandemic. These will be implemented in a specific set of circumstances following advice from local health protection teams or central government.
- Implement intervention programmes and school-led tuition using Government 'Catch Up' premium/SEND/ tutoring grant and Pupil Premium funding which impact upon 'lost learning' as a result of the Covid-19 pandemic. Measure the impact of this work through pupil outcomes linked to 2021/22 external data.
- Continue to work strategically to mitigate the financial risk of ongoing costs linked to Covid-19 through 2021/22 to ensure business continuity.
- Complete all remedial works, repairs and improvements to the building and drainage system at Burnside Academy, to facilitate the re-opening to staff and pupils, negating any sustained disruption to teaching and learning.

## Inspire Multi Academy Trust

### Trustees' Report (continued)

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

- Ongoing refurbishment work to the estate in line with CDC survey priorities, including roofing work, energy efficiency initiatives such as upgraded lighting, insulation of ceilings, boiler replacement, boiler management systems, window replacement, replacement of carpets and decoration identified and prioritised from CDC surveys.
- Investment in upgrade of telephony systems and security, hardware, software and infrastructure to satisfy future business and curriculum needs.
- Monitor the consultation outcomes from the DfE priority school building programme consultation 2021, considering the published application process and criteria, when announced, with a view to submitting applications for Inspire academy full/partial rebuilds which meet the published criteria and specification. Our applications will be prioritised based upon need, with a view across the Inspire estate.

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

#### Auditor

Insofar as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees' report, incorporating a strategic report, approved by order of the Board of Trustees, as the company directors, on 7 December 2021 and signed on the board's behalf by:



S Ruffell

Chair of Trustees

Date:

10/12/21

# Inspire Multi Academy Trust

## Governance Statement

### Scope of Responsibility

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

As trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and Competency Framework for governance.

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

### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees and its committees has formally met on 9 occasions during the year.

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

Trustee	Meetings attended	Out of a possible
A Parr	6	9
C Graham	7	9
E Scribbins	7	9
E Bolton	9	9
H Brown	8	9
J West	9	9
M Byers	1	6
S Ruffell (Chairman)	8	9

### Governance Review

Following a review of the composition and membership of the Board of Trustees in the last academic year, it was agreed to adopt the DfE's preferred Governance model. This saw the reduction of Staff Trustees from three to one, with the CEH remaining as the only Staff Trustee. This approach would provide a greater level of independent scrutiny and challenge from the Board to the executive leadership team.

Members and trustees have engaged Academy Ambassadors to support recruitment to vacant positions; this included recruitment to one Member vacancy. We currently have one trustee vacancy and will look to recruit to this post in 2021/22.

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

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

## Inspire Multi Academy Trust

### Governance Statement (continued)

Throughout 2020/21, the senior leadership team have implemented a programme of training and development for trustees and local governors. As a result, they are now better equipped to support the Leadership Teams at school and trust level, offering highly effective challenge and are able to interpret school data, holding leaders to account for the performance, progress and attainment across each school.

Trustees will work with the CEH during September 2021 in the production of the Trust Improvement Plan for 2021/22.

#### Sub-committees of the main Board of Trustees

##### Finance, Staffing, Audit and Risk Committee

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

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

It has been agreed that the committee will meet to:

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

Attendance during the year at meetings was as follows:

Trustees	Meetings attended	Out of a possible
C Graham	4	4
E Bolton	1	1
H Brown	2	4
J West	4	4
M Byers	1	2
S Ruffell	4	4

##### Personnel and Performance Management Committee

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

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

## Inspire Multi Academy Trust

### Governance Statement (continued)

Attendance during the year at meetings was as follows:

Trustees	Meetings attended	Out of a possible
E Bolton	1	1
H Brown	2	2
M Byers	1	1
S Ruffell	2	2

#### Review of Value for Money

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

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

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

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

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

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

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

- training and sharing staff across the trust in particular areas of expertise, for example administration or repairs and maintenance of premises
- best value exercise carried out for annual training event securing significant savings
- tender exercise completed for tree/ground works and IT provision across the Trust
- benchmarking exercise carried out across the trust in respect to energy usage and charges
- School Business Managers meet regularly to share best practice and areas where economies of scale can be utilised to drive down costs i.e. stationery procurement, and continually challenge all financial transactions ensuring that they are in line with Trust objectives and for the benefit of the children
- premises supplies, particularly with regard to Covid-19 supplies
- Site staff working together across the estate to support premises management and key holding
- printing software installed on all computer devices to increase efficiencies in multi-function device printing and scanning costs and facility to monitor copy costs
- strategic plan across the Trust to install low energy light fittings, which will ensure long-term energy savings

## **Inspire Multi Academy Trust**

### **Governance Statement (continued)**

- promoting an ethos of 'reuse, recycle and repair' attitude across the Trust
- sharing of resources
- being proactive in applying for and securing grant income to support the furtherance of the Trust objectives whilst also delivering efficiencies
- SRMA deployment
- governance service level agreement available for local schools and academies
- purchase Trust software licences.

#### **The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Inspire Multi Academy Trust for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

#### **Capacity to Handle Risk**

The Board of Trustees and senior leadership team, in conjunction with trained Local Authority personnel, have reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. The Board of Trustees regularly reviews this process.

#### **The Risk and Control Framework**

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

- the scheme of delegation is set and agreed by trustees and reviewed at least annually
- the finance policy is reviewed annually
- trustees receive financial management reports on a monthly basis for review and challenge
- comprehensive budgeting and monitoring systems with an annual budget and termly financial reports, which are reviewed and agreed by the Board of Trustees
- termly internal financial audit reviews by the commissioned provider
- half termly internal financial reviews are undertaken in each academy by HR and Finance Manager (SRMA qualified)
- regular reviews by the Finance, Audit and Staffing Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks
- Trust Arrears Policy to provide each Academy with a process in respect of debt recovery
- End of month financial reconciliations.

## Inspire Multi Academy Trust

### Governance Statement (continued)

The Board of Trustees has considered the need for a specific internal audit function, understands the requirement of the FRC ethical standard, and has decided:

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

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

- testing of payroll systems
- testing of purchase systems
- testing of control account/bank reconciliations.

Internal Audit will carry out checks on a twice yearly basis and will provide reports after each visit along with an annual summary from September 2021 for the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities and prepares an annual summary report to the committee outlining areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

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

The findings of the internal audit as at spring 2021 and summer 2021 gave substantial assurance that the Academy Trust has effective governance and financial management arrangements in place. Furthermore, the controls evaluated were judged to be well designed, appropriate in scope and applied consistently and effectively. No issues were identified which could prevent the objectives of the Trust being achieved.

### Review of Effectiveness

As accounting officer, Mrs J West has responsibility for reviewing the effectiveness of the system of internal control. During the period in question, the review has been informed by:

- the work of internal auditor
- the work of the external auditor
- the school resource management self-assessment tool
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 7 December 2021 and signed on its behalf by:



**S Ruffell**

Chair of Trustees



**J West**

Accounting Officer

## **Inspire Multi Academy Trust**

### **Statement on Regularity, Propriety and Compliance**

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

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

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



**J West**

Accounting Officer

Date: 10/12/21



## **Inspire Multi Academy Trust**

### **Statement of Trustees' Responsibilities**

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

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

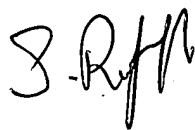
- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- Make judgments and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting 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 the ESFA / DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees on 7 December 2021 and signed on its behalf by:



**Mr S Ruffell**

Chair of Trustees

# **Inspire Multi Academy Trust**

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

**FOR THE YEAR ENDED 31 AUGUST 2021**

### **Opinion**

We have audited the accounts of Inspire Multi Academy Trust for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the academy trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### **Other information**

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

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

We have nothing to report in this regard.

# **Inspire Multi Academy Trust**

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

### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

### **Matters on which we are required to report by exception**

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

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

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

### **Responsibilities of trustees**

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

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

### **Auditor's responsibilities for the audit of the accounts**

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

### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

## Inspire Multi Academy Trust

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

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of senior leadership, Governors/Trustees and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations including compliance with the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency;
- Performing audit work over the recognition of grant income and the allocation of expenditure to funds;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

#### Use of our report

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

*Azets Audit Services*

Angela Ingham FCA (Senior Statutory Auditor)  
for and on behalf of Azets Audit Services  
Chartered Accountants  
Statutory Auditor

*14/12/2021*

Wynyard Park House  
Wynyard Avenue  
Wynyard  
Billingham  
United Kingdom  
TS22 5TB

# **Inspire Multi Academy Trust**

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

**FOR THE YEAR ENDED 31 AUGUST 2021**

In accordance with the terms of our engagement letter dated 7 October 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Inspire Multi Academy Trust during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

### **Respective responsibilities of Inspire Multi Academy Trust's accounting officer and the reporting Accountant**

The accounting officer is responsible, under the requirements of Inspire Multi Academy Trust's funding agreement with the Secretary of State for Education dated 1 April 2012 and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

## **Inspire Multi Academy Trust**

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

The work undertaken to draw to our conclusion includes:

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

#### **Conclusion**

In the course of our work nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Azets Audit Services*

**Reporting Accountant**

Azets Audit Services

Dated: 14/12/2021

# Inspire Multi Academy Trust

## Statement of Financial Activities for the Year Ended 31 August 2021 (including Income and Expenditure Account)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2020/21 £000	Total 2019/20 £000
<b>Income and endowments from:</b>						
Donations and capital grants	2	3	16	118	137	63
Charitable activities:						
Funding for educational operations	3	44	6,867	8	6,919	6,374
Other trading activities	4	51	9	-	60	128
Investments	5	-	-	-	-	1
<b>Total</b>		<b>98</b>	<b>6,892</b>	<b>126</b>	<b>7,116</b>	<b>6,566</b>
<b>Expenditure on:</b>						
Raising funds	6	25	5	-	30	61
Charitable activities:						
Educational operations	7	60	7,241	333	7,634	7,103
<b>Total</b>		<b>85</b>	<b>7,246</b>	<b>333</b>	<b>7,664</b>	<b>7,164</b>
<b>Net income / (expenditure)</b>		<b>13</b>	<b>(354)</b>	<b>(207)</b>	<b>(548)</b>	<b>(598)</b>
<b>Transfer between funds</b>	18	-	(151)	151	-	-
<b>Other recognised gains / (losses):</b>						
Actuarial (losses) / gains on defined benefit pension schemes	18,27	-	(173)	-	(173)	(1,688)
Gains/ (losses) on revaluation of Fixed assets		-	-	-	-	350
<b>Net movement in funds</b>		<b>13</b>	<b>(678)</b>	<b>(56)</b>	<b>(721)</b>	<b>(1,936)</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		658	(4,052)	9,504	6,110	8,046
<b>Total funds carried forward</b>		<b>671</b>	<b>(4,730)</b>	<b>9,448</b>	<b>5,389</b>	<b>6,110</b>

# Inspire Multi Academy Trust

## Balance Sheet as at 31 August 2021

Company Number 08287012

	Note	2021 £000	2021 £000	2020 £000	2020 £000
<b>Fixed Assets</b>					
Intangible assets	12		32		23
Tangible assets	13		9,416		9,444
<b>Current Assets</b>					
Stock	14	7		2	
Debtors	15	351		250	
Cash at bank and in hand		1,283		1,242	
		<u>1,641</u>		<u>1,494</u>	
<b>Liabilities</b>					
Creditors: Amounts falling due within one year	16	<u>(581)</u>		<u>(467)</u>	
<b>Net current assets</b>			<u>1,060</u>		<u>1,027</u>
<b>Total assets less current liabilities</b>			<b>10,508</b>		<b>10,494</b>
Creditors: Amounts falling due after more than one year	17		-		-
<b>Net assets excluding pension liability</b>			<u>10,508</u>		<u>10,494</u>
Defined benefit pension scheme liability	27		<u>(5,119)</u>		<u>(4,384)</u>
<b>Total net assets</b>			<u>5,389</u>		<u>6,110</u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>					
- Fixed asset fund	18	9,448		9,504	
- Restricted income fund	18	389		332	
- Pension reserve	18	<u>(5,119)</u>		<u>(4,384)</u>	
<b>Total restricted funds</b>			<b>4,718</b>		<b>5,452</b>
<b>Unrestricted income funds</b>	18		<u>671</u>		<u>658</u>
<b>Total funds</b>			<u>5,389</u>		<u>6,110</u>

The financial statements on pages 29 to 51 were approved by the trustees and authorised for issue on 7 December 2021 and are signed on their behalf by:



Mr S Ruffell

Chair of Trustees



# Inspire Multi Academy Trust

## Statement of Cash Flows for the Year Ended 31 August 2021

	Note	2021 £000	2020 £000
<b>Cash flows from operating activities</b>			
Net cash provided by (used in) operating activities	22	270	(290)
<b>Cash flows from investing activities</b>	24	(229)	(195)
<b>Cash flows from financing activities</b>	23	-	-
<b>Change in cash and cash equivalents in the reporting period</b>		<u>41</u>	<u>(485)</u>
<b>Cash and cash equivalents at 1 September 2020</b>		1,242	1,727
<b>Cash and cash equivalents at 31 August 2021</b>	25	<u>1,283</u>	<u>1,242</u>

# Inspire Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2021

### 1. Statement of Accounting Policies

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

#### Basis of Preparation

The financial statements of Inspire Multi Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Inspire Multi Academy Trust meets the definition of a public benefit entity under FRS 102.

#### Going Concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

#### Income

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

- **Grants**

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

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

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

- **Sponsorship Income**

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

- **Donations**

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

# Inspire Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

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

- **Other Income**

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

- **Donated goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

- **Donated fixed assets**

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

### **Expenditure**

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

- **Expenditure on Raising Funds**

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

- **Charitable Activities**

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

All resources expended are inclusive of irrecoverable VAT.

### **Intangible Fixed Assets**

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

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

### **Tangible Fixed Assets**

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

# Inspire Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

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

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, as follows:

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

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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

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

#### Liabilities

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

#### Provisions

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

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

#### Lease Assets

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

#### Investments

None held.

# Inspire Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

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

#### Financial Instruments

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

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

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

*Financial liabilities* – trade creditor, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

#### Stock

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

#### Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

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

#### Pension Benefits

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

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income / (expenditure) 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.

# Inspire Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

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

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

#### **Fund Accounting**

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

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

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

#### **Critical accounting estimates and areas of judgement**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### *Critical accounting estimates and assumptions*

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

#### **Local Government Pension Scheme**

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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. 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.

#### **Land and buildings**

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

#### **Depreciation**

Depreciation is calculated as to write off the cost of an asset off over its useful economic life. The accounting policies are disclosed in the accounting policy above.

**Inspire Multi Academy Trust**  
**Notes to the Financial Statements for the Year Ended 31 August 2021**  
**(continued)**

**2 Donations and capital grants**

	Unrestricted Funds £000	Restricted Funds £000	Total 2020/21 £000	Total 2019/20 £000
Capital grants	-	33	33	26
Donated fixed assets	-	85	85	-
Other donations	3	16	19	37
	3	134	137	63
<b>2020 Total</b>	12	51	63	

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

	Unrestricted Funds £000	Restricted Funds £000	Total 2020/21 £000	Total 2019/20 £000
<b>DfE / ESFA revenue grants</b>				
- General Annual Grant (GAG)	-	4,716	4,716	4,572
- Other DfE / ESFA grants	-	1,074	1,074	1,052
	-	5,790	5,790	5,624
<b>Other Government Grants</b>				
Local Authority Grants	-	669	669	574
Other Government Grants	-	-	-	-
	-	669	669	574
<b>Covid-19 additional funding (DfE / ESFA)</b>				
Catch-up premium	-	86	86	-
Other DfE / ESFA Covid-19 funding	-	4	4	9
<b>Covid-19 additional funding (non DfE / ESFA)</b>				
Coronavirus Job Retention Scheme Grant	-	-	-	-
Other Covid-19 Funding	-	93	93	-
	-	183	183	9
<b>Other income from the academy trust's educational operations</b>				
	44	233	277	167
	44	6,875	6,919	6,374
<b>2020 Total</b>	49	6,325	6,374	

The academy received £86,240 of funding for catch-up premium and costs incurred in respect of this funding totalled £86,159, with the remaining £81 to be spent in 2021/22.

Included in other income above is £146k relating to the RPA insurance claim for Burnside as explained in the trustees' report. An equal amount of expenditure is included in note 7 relating to investigation ground works, management consultancy and transport fees taking pupil to other schools.

**Inspire Multi Academy Trust**  
**Notes to the Financial Statements for the Year Ended 31 August 2021**  
**(continued)**

**Analysis of Other DfE / ESFA grants**

	<b>Unrestricted Funds £000</b>	<b>Restricted Funds £000</b>	<b>Total 2020/21 £000</b>	<b>Total 2019/20 £000</b>
<b>Grants</b>				
- Academy Infant Free School Meals	-	107	<b>107</b>	99
- Pupil Premium Grant	-	619	<b>619</b>	612
- Teacher Pay and Pension Grants	-	215	<b>215</b>	216
- PE and Sport Premium Grants	-	89	<b>89</b>	89
- Schools Direct Grant	-	9	<b>9</b>	-
- Rates Relief	-	23	<b>23</b>	23
- Other DfE Grants				
- FSM Supplementary	-	12	<b>12</b>	13
	-	1,074	<b>1,074</b>	1,052

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department for Education and ESFA, the academy trust's funding for Universal Infant Free School Meals and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

**4 Other trading activities**

	<b>Unrestricted Funds £000</b>	<b>Restricted Funds £000</b>	<b>Total 2020/21 £000</b>	<b>Total 2019/20 £000</b>
Hire of facilities	6	-	<b>6</b>	11
Catering income	1	-	<b>1</b>	3
Other income	44	9	<b>53</b>	114
	51	9	<b>60</b>	128
<b>2020 Total</b>	<b>119</b>	<b>9</b>	<b>128</b>	

**5 Investment income**

	<b>Unrestricted Funds £000</b>	<b>Restricted Funds £000</b>	<b>Total 2020/21 £000</b>	<b>Total 2019/20 £000</b>
Short term deposits	-	-	<b>-</b>	1
	-	-	<b>-</b>	1
<b>2020 Total</b>	<b>1</b>	<b>-</b>	<b>1</b>	



**Inspire Multi Academy Trust**  
**Notes to the Financial Statements for the Year Ended 31 August 2021**  
**(continued)**

**6 Expenditure**

	<b>Staff Costs £000</b>	<b>Non-Pay Expenditure Premises £000</b>	<b>Other £000</b>	<b>Total 2020/21 £000</b>	<b>Total 2019/20 £000</b>
Expenditure on raising funds:					
- Allocated support costs	19	-	11	30	61
Academy's educational operations:					
- Direct costs	4,337	-	665	5,002	4,970
- Allocated support costs	1,491	455	686	2,632	2,133
	<u>5,847</u>	<u>455</u>	<u>1,362</u>	<u>7,664</u>	<u>7,164</u>
<b>2020 Total</b>	<b>5,463</b>	<b>374</b>	<b>1,327</b>	<b>7,164</b>	

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

	<b>2020/21 £000</b>	<b>2019/20 £000</b>
Operating leases rentals	11	14
Depreciation	316	312
Amortisation of intangible fixed assets (included within Charitable Activities – Academy trust educational operations)	18	11
Fees payable to auditor for:		
- Audit	14	14
	<u>359</u>	<u>351</u>

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

**7 Charitable Activities**

	<b>Total 2020/21 £000</b>	<b>Total 2019/20 £000</b>
<b>Direct costs – educational operations</b>	<b>5,002</b>	<b>4,970</b>
<b>Support costs – educational operations</b>	<b>2,632</b>	<b>2,133</b>
	<u><b>7,634</b></u>	<u><b>7,103</b></u>
<b>Analysis of support costs</b>		
Support staff costs	1,491	1,204
Depreciation	5	8
Technology costs	38	28
Premises costs	455	374
Legal costs - other	2	2
Other support costs	542	422
Governance costs	99	95
<b>Total support costs</b>	<u><b>2,632</b></u>	<u><b>2,133</b></u>

# Inspire Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2021

### (continued)

#### 8 Staff

##### a. Staff costs

Staff costs during the period were:

	2020/21 £000	2019/20 £000
Wages and salaries	3,921	3,924
Social security costs	364	354
Pension costs	1,286	1,043
Apprenticeship Levy	5	5
	<u>5,576</u>	<u>5,326</u>
Agency staff costs	188	91
Staff restructuring costs	11	3
	<u>5,775</u>	<u>5,420</u>
Staff restructuring costs comprise:		
Severance payments	11	3
	<u>11</u>	<u>3</u>

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

Included in staff restructuring costs are severance payments totalling £10,664. Individually these payments were for £4,796 (non contractual) and £5,868 (contractual) (2020: £3,253 (contractual)).

##### c. Staff numbers

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

	2020/21 No.	2019/20 No.
Teachers	54	55
Administration and support	105	108
Management	9	9
	<u>168</u>	<u>172</u>

##### d. Higher paid staff

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

	2020/21 No.	2019/20 No.
In the band £60,001 - £70,000	2	2
In the band £70,001 - £80,000	3	3
In the band £90,001 - £100,000	1	1
In the band £130,001 - £140,000	1	1

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

# Inspire Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2021

### (continued)

#### e. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £412,764 (2020: £393,726).

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

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

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

Mrs J West (Chief Executive Headteacher and trustee):

Remuneration	£135,000 - £140,000 (2020: £130,000 - £135,000)
Employer's pension contributions paid	£30,000 - £35,000 (2020: £30,000 - £35,000)

During the period ended 31 August 2021, no travel and subsistence expenses were reimbursed or paid directly to trustees (2020: £0).

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

#### 10 Central Services

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

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

The central services contribution is reviewed by Trustees annually. At the July 2020 Trustee finance committee meeting it was agreed that Academy contributions to central services would be moved to a 7% model from Academy funding within the next three years. Academy budgets for 2020/21 were set on a transitional model of between 5-8% which was achievable in the short-term and will be reviewed for 2021/22 budgets in an aim to achieve the 7% optimum model.

Academy contributions for 2020/21 financial year were as follows: Farrington and Fatfield made a contribution of 8%, Plains Farm 6% and New Penshaw and Burnside Academies 5% towards the central services for this accounting period.

The actual amounts charged during the year were as follows:

	2020/21 £000
Farrington Academy	154
New Penshaw Academy	44
Plains Farm Academy	61
Fatfield Academy	84
Burnside Academy	50
	<u>393</u>

# Inspire Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2021

### (continued)

#### 11 Trustees' and Officers' Insurance

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

#### 12 Intangible Fixed Assets

	Licences £000	Total 2020/21 £000
<b>Cost</b>		
At 1 September 2020	38	38
Additions	27	27
At 31 August 2021	65	65
<b>Amortisation</b>		
At 1 September 2020	15	15
Charged in year	18	18
At 31 August 2021	33	33
<b>Carrying Amount</b>		
At 31 August 2020	23	23
At 31 August 2021	32	32

#### 13 Tangible Fixed Assets

2020/21

	Leasehold Land and Buildings	Leasehold Improvements	Furniture and Equipment	Computer Equipment	Assets Under Construction	Total
	£000	£000	£000	£000	£000	£000
<b>Cost</b>						
At 1 September 2020	7,886	2,200	345	459	-	10,890
Additions	-	131	24	133	-	288
Revaluations	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
At 31 August 2021	7,886	2,331	369	592	-	11,178
<b>Depreciation</b>						
At 1 September 2020	890	98	104	354	-	1,446
Charged in year	169	45	37	65	-	316
At 31 August 2021	1,059	143	141	419	-	1,762
<b>Net book values</b>						
At 31 August 2020	6,996	2,102	241	105	-	9,444
At 31 August 2021	6,827	2,188	228	173	-	9,416

#### 14 Stock

	2021 £000	2020 £000
Stationery	7	2
	7	2

**Inspire Multi Academy Trust**  
**Notes to the Financial Statements for the Year Ended 31 August 2021**  
**(continued)**

**15 Debtors**

	2021	2020
	£000	£000
Trade debtors	3	2
VAT recoverable	100	52
Other debtors	16	1
Prepayments and accrued income	232	195
	<u>351</u>	<u>250</u>

Included in other debtors above is an amount of £11,472 relating to long term debtors greater than one year.

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

	2021	2020
	£000	£000
Trade creditors	5	9
Other taxation and social security	176	172
Other Creditors	-	44
Accruals and deferred income	400	242
	<u>581</u>	<u>467</u>

**Deferred income**

	2021	2020
	£000	£000
Deferred Income at 1 September 2020	72	68
Resources deferred in the year	76	72
Amounts released from previous years	(72)	(68)
Deferred Income at 31 August 2021	<u>76</u>	<u>72</u>

At the balance sheet date the multi academy trust was holding funds received in advance - Academy Infant free School Meals £62,506 (2020: £58,745) and rates relief £13,335 (2020: £13,335).

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

	2021	2020
	£000	£000
Other creditors	-	-
	<u>-</u>	<u>-</u>

**Inspire Multi Academy Trust**  
**Notes to the Financial Statements for the Year Ended 31 August 2021**  
**(continued)**

**18 Funds**

	Balance at 1 September 2020	Income	Expenditure	Gains, Losses and Transfers	Balance at 31 August 2021
	£000	£000	£000	£000	£000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	271	4,715	(4,446)	(151)	389
Pupil Premium	-	619	(619)	-	-
Catch up Premium	-	86	(86)	-	-
Other DfE/ESFA Covid-19 Funding	-	4	(4)	-	-
Other Covid-19 Funding	-	93	(93)	-	-
Other grants	9	1,125	(1,134)	-	-
Other income	52	250	(302)	-	-
Pension reserve	(4,384)	-	(562)	(173)	(5,119)
	<b>(4,052)</b>	<b>6,892</b>	<b>(7,246)</b>	<b>(324)</b>	<b>(4,730)</b>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	7,048	-	(170)	(39)	6,839
DfE Group capital grants	1,766	33	(69)	39	1,769
Other Capital Grants	8	-	(4)	-	4
Capital expenditure from GAG	322	-	(68)	151	405
DfE Donated Assets	-	85	(13)	-	72
Other Income	360	8	(9)	-	359
	<b>9,504</b>	<b>126</b>	<b>(333)</b>	<b>151</b>	<b>9,448</b>
<b>Total restricted funds</b>	<b>5,452</b>	<b>7,018</b>	<b>(7,579)</b>	<b>(173)</b>	<b>4,718</b>
<b>Total unrestricted funds</b>	<b>658</b>	<b>98</b>	<b>(85)</b>	<b>-</b>	<b>671</b>
<b>Total funds</b>	<b>6,110</b>	<b>7,116</b>	<b>(7,664)</b>	<b>(173)</b>	<b>5,389</b>

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

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

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

COVID Catch-up premium has been used to:

- raise the attainment of all pupils to close the gap created by COVID-19 school closures as identified in Autumn 2020 baseline data
- provide accessible, high quality remote learning that will fully support teaching and learning and provide effective marking and feedback for immediate Assessment for Learning
- identify pupils who require additional emotional support and provide a personalised nurture programme.

The gross transfer from the restricted general to the restricted fixed asset fund of £151,037 represents the capital expenditure from the GAG and other grants during the period.

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

The academy's restricted general and unrestricted funds total £1.060m at 31 August 2021.

**Inspire Multi Academy Trust**  
**Notes to the Financial Statements for the Year Ended 31 August 2021**  
**(continued)**

**Total funds analysis by academy**

Fund balances at 31 August 2021 were allocated as follows:

	2021 £000	2020 £000
Farringdon Academy	315	314
New Penshaw Academy	343	336
Plains Farm Academy	311	308
Burnside Academy	57	9
Fatfield Academy	30	20
Inspire Central Costs (excluding FRS102 pension transactions)	4	3
Total before fixed assets and pension reserve	1,060	990
Restricted fixed asset fund	9,448	9,504
Pension reserve	(5,119)	(4,384)
<b>Total</b>	<b>5,389</b>	<b>6,110</b>

**Total cost analysis by academy**

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

	Teaching and Educational Support Staff Costs £000	Other Support Staff Costs £000	Educational Supplies £000	Other Costs (excluding Depreciation) £000	2020/21 Total £000	2019/20 Total £000
Farringdon Academy	1,385	222	73	298	1,978	1,958
New Penshaw Academy	700	129	15	178	1,022	1,048
Plains Farm Academy	698	172	30	178	1,078	1,067
Burnside Academy	663	107	32	278	1,080	954
Fatfield Academy	727	117	39	228	1,111	1,105
Inspire central costs (includes FRS102 pension transactions)	163	690	3	205	1,061	709
<b>Academy Trust</b>	<b>4,336</b>	<b>1,437</b>	<b>192</b>	<b>1,365</b>	<b>7,330</b>	<b>6,841</b>

**Inspire Multi Academy Trust**  
**Notes to the Financial Statements for the Year Ended 31 August 2021**  
**(continued)**

Comparative information in respect of the preceding period (to 31 August 2020) is as follows:

	Balance at 1 September 2019	Income	Expenditure	Gains, Losses and Transfers	Balance at 31 August 2020
	£000	£000	£000	£000	£000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	267	4,595	(4,583)	(8)	271
Pupil Premium	-	613	(613)	-	-
Other Covid-19 Funding	-	9	(9)	-	-
Other grants	22	990	(1,003)	-	9
Other income	53	152	(153)	-	52
Pension reserve	(2,371)	-	(325)	(1,688)	(4,384)
	<b>(2,029)</b>	<b>6,359</b>	<b>(6,686)</b>	<b>(1,696)</b>	<b>(4,052)</b>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	6,878	-	(180)	350	7,048
DfE Group capital grants	1,801	26	(61)	-	1,766
Other Capital Grants	10	-	(2)	-	8
Capital expenditure from GAG	377	-	(63)	8	322
Other Income	377	-	(17)	-	360
	<b>9,443</b>	<b>26</b>	<b>(323)</b>	<b>358</b>	<b>9,504</b>
<b>Total restricted funds</b>	<b>7,414</b>	<b>6,385</b>	<b>(7,009)</b>	<b>(1,338)</b>	<b>5,452</b>
<b>Total unrestricted funds</b>	<b>632</b>	<b>181</b>	<b>(155)</b>	<b>-</b>	<b>658</b>
<b>Total funds</b>	<b>8,046</b>	<b>6,566</b>	<b>(7,164)</b>	<b>(1,338)</b>	<b>6,110</b>

**19 Analysis of net assets between funds**

Fund balances at 31 August 2021 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Intangible fixed assets	-	-	32	32
Tangible fixed assets	-	-	9,416	9,416
Current assets	673	906	62	1,641
Current liabilities	(2)	(517)	(62)	(581)
Pension scheme liability	-	(5,119)	-	(5,119)
<b>Total net assets</b>	<b>671</b>	<b>(4,730)</b>	<b>9,448</b>	<b>5,389</b>

Comparative information in respect of the preceding period (at 31 August 2020) is as follows:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Intangible fixed assets	-	-	23	23
Tangible fixed assets	-	-	9,444	9,444
Current assets	660	744	90	1,494
Current liabilities	(2)	(412)	(53)	(467)
Pension scheme liability	-	(4,384)	-	(4,384)
<b>Total net assets</b>	<b>658</b>	<b>(4,052)</b>	<b>9,504</b>	<b>6,110</b>



# Inspire Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2021

### (continued)

#### 20 Capital Commitments

	2021 £000	2020 £000
Contracted for, but not provided in the financial statements	-	-
	-	-

#### 21 Operating Leases

At 31 August 2021 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2021 £000	2020 £000
Amounts due within one year	9	9
Amounts due between one and five years	16	25
	25	34

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

	2020/21 £000	2019/20 £000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(548)	(598)
Adjusted for:		
Amortisation (note 12)	18	11
Depreciation (note 13)	316	312
Capital grants from DfE and other capital income	(33)	(26)
Interest receivable (note 5)	-	(1)
Defined benefit pension scheme cost less contributions payable (note 27)	489	282
Defined benefit pension scheme finance cost (note 27)	73	43
(Increase)/decrease in stocks	(5)	(1)
(Increase)/decrease in debtors	(101)	88
Increase/(decrease) in creditors	61	(400)
<b>Net cash provided by / (used in) Operating Activities</b>	<b>270</b>	<b>(290)</b>

#### 23 Cash flows from financing activities

	2020/21 £000	2019/20 £000
Repayments of borrowing	-	-
Cash inflows from new borrowing	-	-
<b>Net cash provided by / (used in) financing activities</b>	<b>-</b>	<b>-</b>

#### 24 Cash flows from investing activities

	2020/21 £000	2019/20 £000
Dividends, interest and rents from investments	-	1
Purchase of intangible fixed assets	(27)	(23)
Purchase of tangible fixed assets	(235)	(199)
Capital grants from DfE Group	33	26
Capital funding received from sponsors and others	-	-
<b>Net cash provided by / (used in) investing activities</b>	<b>(229)</b>	<b>(195)</b>

# Inspire Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2021

### (continued)

#### 25 Analysis of cash and cash equivalents

	2021	2020
	£000	£000
Cash in hand and at bank	1,283	1,242
Notice deposits (less than 3 months)	-	-
<b>Total cash and cash equivalents</b>	<b>1,283</b>	<b>1,242</b>

#### 26 Members' Liability

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

#### 27 Pension and Similar Obligations

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

There were no outstanding or prepaid contributions at the end of the financial year (2020: £0).

##### Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary – these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

##### 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 every 4 years. 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. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- 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
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

# Inspire Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2021

### (continued)

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the period amounted to £558,864 (2020: £533,842).

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 academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

#### Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2021 was £322,217 (2020: £303,457), of which employer's contributions totalled £240,299 (2020: £223,830) and employees' contributions totalled £81,917 (2020: £79,627). The agreed contribution rates for future years is 18.1% for employers and 5.5% - 12.5% for employees.

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

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

	2021	2020
Rate of increase in salaries	4.1%	3.7%
Rate of increase for pensions in payment/inflation	2.6%	2.2%
Discount rate for scheme liabilities	1.7%	1.7%
Inflation assumption (CPI)	2.6%	2.2%
Commutation of pensions to lump sums	75.0%	75.0%

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

<i>Retiring today</i>	2021	2020
Males	21.9	21.8
Females	25.1	25.0

<i>Retiring in 20 years</i>		
Males	23.6	23.5
Females	26.9	26.8

<b>Sensitivity analysis</b>	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Discount rate +0.1%	11,554	9,513
Discount rate -0.1%	12,208	10,051
Mortality assumption – 1 year increase	11,436	9,435
Mortality assumption – 1 year decrease	12,326	10,129
CPI rate +0.1%	11,934	9,826
CPI rate -0.1%	11,816	9,728

# Inspire Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2021

### (continued)

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

	2021 £000	2020 £000
Equities	3,757	2,886
Corporate bonds	1,358	1,235
Property	540	496
Government bonds	142	129
Cash	270	102
Other	689	545
<b>Total market value of assets</b>	<b>6,756</b>	<b>5,393</b>

The actual return on scheme assets was £1,050,000 (2020: £1,000 loss).

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

	2020/21 £000	2019/20 £000
Current service cost	(767)	(490)
Past service cost	-	-
Interest income	94	100
Interest cost	(167)	(143)
<b>Total amount recognised in the SOFA</b>	<b>(840)</b>	<b>(533)</b>

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

	2020/21 £000	2019/20 £000
<b>At 1 September</b>	<b>9,777</b>	<b>7,528</b>
Current service cost	767	490
Interest cost	167	143
Employee contributions	95	74
Actuarial (gain) / loss	1,129	1,587
Benefits paid	(60)	(45)
Past service cost	-	-
<b>At 31 August</b>	<b>11,875</b>	<b>9,777</b>

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

	2020/21 £000	2019/20 £000
<b>At 1 September</b>	<b>5,393</b>	<b>5,157</b>
Interest income	94	100
Actuarial gain/(loss)	956	(101)
Employer contributions	278	208
Employee contributions	95	74
Benefits paid	(60)	(45)
<b>At 31 August</b>	<b>6,756</b>	<b>5,393</b>

# **Inspire Multi Academy Trust**

## **Notes to the Financial Statements for the Year Ended 31 August 2021**

### **(continued)**

#### **28 Related Party Transactions**

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustee has an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

##### **Expenditure Related Party Transaction**

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

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

#### **29 Post Balance Sheet Event**

The school building at Burnside Academy has been temporarily closed since March 2021 following a drainage issue which caused structural movement to the school building.

During this period of closure pupils have travelled by coach in their class groups and with their class teacher to other Academies within Inspire Multi Academy Trust. The staff team have worked tirelessly to ensure the continuity of education for every child and every class and at no time has the quality of education the children have received been affected.

Working with colleagues from the Risk Protection Arrangement (RPA), the Department for Education (DfE) Regional Team and DfE Emergency Capital Team, contractors were appointed and quickly identified the cause of the site issues and the remedial works necessary. A programme of works was designed and temporary accommodation was installed on site and we welcomed pupils back to Burnside Academy site from the 2 November 2021. This temporary accommodation has been purpose built and set up with the same standard of equipment, resources and IT to provide an excellent environment for children to continue to access their education.

A programme of works for reparations to the existing school building will now be implemented to upgrade and improve the drainage system and to remedy the structural damage to the school building. We will continue to liaise with parents, local community and all relevant stakeholders with regard to progress and timescales and we look forward to the reopening of the school building at Burnside Academy.