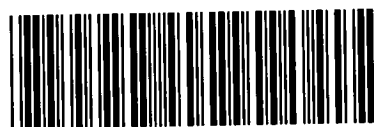


Company Registration No. 10421212 (England and Wales)

INSPIRE PARTNERSHIP ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

TUESDAY



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19/02/2019
COMPANIES HOUSE

INSPIRE PARTNERSHIP ACADEMY TRUST

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INSPIRE PARTNERSHIP ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

R Love MBE
S Curtis
U Coyne
I Morley

Trustees

J Babtie
R Carpenter (Accounting Officer)
H Cheuk (Resigned 31 July 2018)
F Dickson (Resigned 15 March 2018)
D Ellison- Lee
B Essen
I Morley ((Chair to 10/09/18))
E Nedjari
K Wrixon (Resigned 31 December 2017)
R Saysell (Resigned 14 September 2017)
V Williams (Resigned 13 October 2017)
M Ward (Appointed 14 December 2017)
K Hooper (Appointed 14 December 2017)
K Giles ((Chair from 11/09/18)) (Appointed 11 September 2018)
J Gordon (Appointed 11 September 2018)
P Rabiger (Appointed 11 September 2018)

Senior management team

R Carpenter	- CEO
N Sanghara	- Executive Head - Trust
M Carpenter	- Executive Head - Woodhill & Elaine
R Bansil	- Executive Head - Foxfield
A Oldfield	- Headteacher - Rockliffe Manor (to 31/08/18)
C Sillince	- Head of School - Rockliffe Manor (from 1/09/18)
K Jankowska	- Head of School - Woodhill
D Indresano	- Headteacher - Maundene
D Brewer	- Head of School - Elaine

Company registration number

10421212 (England and Wales)

Registered office

Inspire Partnership Academy Trust
Foxfield Primary School
Sandbach Place
London
SE18 7EX

INSPIRE PARTNERSHIP ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Academies operated

Woodhill School
Foxfield School
Rockliffe Manor School
Elaine Primary School
Maudene Primary School

Location

Woolwich
Woolwich
Plumstead
Rochester
Chatham

Headteacher

M Carpenter
R Bansil
C Sillince
D Brewer
D Indresano

Independent auditor

Wilkins Kennedy Audit Services
Greytown House
221-227 High Street
Orpington
Kent
BR6 0NZ

Bankers

Lloyds Bank
39 Threadneedle Street
London
EC2R 8AU

Solicitors

Stone King LLP
16 St John's Lane
London
EC1M 4BS

INSPIRE PARTNERSHIP ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Trust operates five academies for children aged 4 -11. The Academies are in the areas of Greenwich and Medway. Please see below for pupil capacity:

Foxfield School
Capacity of School 730 (630 +100 Nursery)
Number on Roll 615
Number on roll of onsite Nursery – 84

Rockliffe Manor School
Capacity of School 226 (210 + 26 Nursery)
Number on Roll 205
Number on roll of onsite Nursery – 26

Woodhill School
Capacity of School 720 (630 + 90 Nursery)
Number on Roll 543
Number on roll of onsite Nursery – 63

Maundene School (joined 1st January 2018)
Capacity of School 420
Number on Roll 402

Elaine School (joined 1st May 2018)
Capacity of School 350
Number on Roll 332

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 Partnership Academy Trust are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

The Academy Trust was incorporated on 11 October 2016 and is made up of 5 academies. All Academies have kept their original names, and 3 obtained academy status 1 June 2017, one from 1 January 2018 and one from 1 May 2018.

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.

Principal activities

The principal activity of the Academy Trust is to advance for the public benefit education in the United Kingdom, in particular, but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing schools and settings offering a broad and balanced curriculum.

INSPIRE PARTNERSHIP ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Method of recruitment and appointment or election of trustees

The Members of the Academy Trust shall comprise the signatories to the Memorandum and any person elected by the current members by passing a special resolution to appoint additional members provided that at any time the minimum number of members shall not be less than three. An employee of the Academy Trust cannot be a member of the Academy Trust.

The number of Trustees/ Directors shall not be less than three, but shall not be subject to any maximum. The Academy Trust shall have the following Trustees:

- up to 11 Trustees appointed by ordinary resolution
- The Chief Executive Officer
- A Minimum of 2 Parent Trustees (where there are no local Governing Bodies)

The Academy Trust may also have any Co-opted Trustee. A Co-opted Trustee means a person who is appointed to be a Trustee by being Co-opted by Trustees who have not themselves been so appointed. The Trustees may not co-opt an employee of the Academy Trust as a Co-opted Trustee if thereby the number of Trustees who are employees of the Academy Trust would exceed one third of the total number of Trustees including the Chief Executive Officer to the extent he or she is a Trustee.

The term of office for any Trustee shall be four years, save that this time limit shall not apply to any post which is held ex officio or the Chief Executive Officer. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be reappointed or re-elected.

Policies and procedures adopted for the induction and training of trustees

During the period under review the Trust Board of Directors held 4 full Directors meeting. The training and induction provided for new Directors will depend on their existing experience. All new Directors will be given a tour of the Academy and the chance to meet with staff and students. All relevant Directors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Directors. Trustees are able to access a range of training opportunities including internal training, training provided by the Academy's advisors and courses provided by other established Trustee and Governor training providers.

Organisational structure

The structure consists of four management levels: Inspire Partnership Trust Board, The Executive Team, the Local Governing Body and the Inspire Partnership Leadership Team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

Inspire Partnership Academy Trust Directors Board are responsible for setting general policy, adopting an annual plan and budget monitoring for the Academies by the use of budget reports and making major decisions about the direction of Inspire Partnership Academy Trust, capital expenditure and senior staff appointments.

The Academy Leadership Team consists of the Executive Headteachers and Headteachers.

These leaders meet weekly to plan and implement the Inspire Partnership strategy at school level implementing the policies laid down by themselves, the local governing body, the Executive Team or Inspire Partnership Academy Trust Directors Board. As a group, the Senior Leadership Team is responsible for the authorisation of spending within agreed school budgets and the appointment of non-senior staff. Appointments of senior leader posts will require Director's authorisation.

INSPIRE PARTNERSHIP ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Arrangements for setting pay and remuneration of key management personnel

The setting of the pay and remuneration for the Chief Executive Officer and the Executive Team is devolved from Inspire Partnership Academy Trust Directors Board to a panel responsible for performance management.

The pay and remuneration below the Executive Team is set by the CEO and is currently aligned with Greenwich local authority pay and conditions, subject to a Trust wide review of HR and payroll provider which will be completed within the next twelve months.

Head Teacher pay within all Trust schools is set using the formula within the pay and conditions document applicable at the time of appointment. A panel consisting of members of the Executive Team and the Local Governing Body will set the exact pay within the pay range identified within the pay and conditions document.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	1
Full-time equivalent employee number	0.87

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	-
51%-99%	-
100%	1

Percentage of pay bill spent on facility time

Total cost of facility time	21,212
Total pay bill	9,114,689
Percentage of the total pay bill spent on facility time	-

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-
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INSPIRE PARTNERSHIP ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Objectives and activities

Objects and aims

The principal object of the Academy is specifically restricted to the following: to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum.

The Mission

We take collective responsibility of learning for everyone in our partnership: we are stronger together when harnessing the potential within our schools. We believe that all members of our community are assets with unique gifts to offer. We aspire for all of our children to be:

- Confident learners - who are motivated, independent and curious about the world
- Powerful learners - who have the confidence and skills to make a difference
- Ambitious learners - for both themselves and our communities

Objectives, strategies and activities

The main objectives of the Inspire Partnership during the period ended 31 August 2018 are summarised below:

The Inspire Partnership is a multi-academy trust which is committed to improving the life chances of every child with whom they work. Our vision is to create a successful family of schools (Multi Academy Trust) which plays a leading part in shaping the future of education and provision for learning on a local and national scale. We have the capacity, knowledge and commitment to transform the lives of children within and beyond our immediate school communities. In becoming a Multi Academy Trust, we are committed to harnessing our collective capacity in order to innovate, spread best practice across schools and shape the future of the education landscape, including influencing policy and practice.

The Trust does this by:

- Developing a culture in which improving the quality of teaching is seen as central;
- Working with school leaders on developing the highest quality leadership systems and personnel;
- Ensuring children have a wide range of sporting, cultural and artistic experiences as well as mastery of core learning skills.

The Inspire Partnership community values diversity and seeks to give everyone in the school an equal chance to learn, work and live, free from the action, or fear, of racism, discrimination, or prejudice. By our actions we will work together to develop the potential of all pupils academically, socially, culturally and psychologically and to establish a community that is just and fair for all people who work within the Partnership.

Pupils will be happy and enthused by the curriculum, social and physical challenges posed by their experience at school. They will be independent learners, aware of how to learn and of the role of emotions and dispositions in the learning process, which they draw on to address challenge and difficulty.

Objectives, strategies and activities

All staff will have the opportunity to develop further as self-directed, reflective learners, through working collaboratively with others to enhance their own expertise and through a programme of high quality professional development which is evaluated for impact. Through their passion, teachers will enthuse and inspire others to explore new ideas.

Parents will fulfill their roles as true partners, recognizing their role in the student- School - parent partnership to ensure that their child realises his/her potential.

Directors will contribute to the life of the school on a wider scale, acting as critical friends to support the school in becoming a recognised centre of excellence.

INSPIRE PARTNERSHIP ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Public benefit

The Directors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the charity's aim and objectives and in planning future activities. In particular, the Directors consider how planned activities will contribute to the aims and objectives they have set.

The Trust adopts the admission policies of the Local Education authority in which it works. For full details see the individual school websites.

Strategic report

Achievements and performance

Pupils enter the Schools from a wide range of social, cultural and economic backgrounds. The schools pride themselves on being inclusive schools that offer an outstanding curriculum which connects learning experiences with diversity, inclusion and themes of global citizenship.

See below for the percentage of pupils eligible for free school meals, from ethnic minority backgrounds and on the Special Educational Needs register for each school:

Foxfield School

- 35% of pupils eligible for Pupil Premium
- 80% of pupils from ethnic minority backgrounds
- 20% of children on SEN register

Rockliffe Manor School

- 22% of pupils eligible for Pupil Premium
- 61% of pupils from ethnic minority backgrounds
- 14% of children on SEN register

Woodhill School –

- 67% of pupils eligible for Pupil Premium
- 75% of pupils from ethnic minority backgrounds
- 20% of children on SEN register

Maundene School –

- 13% of pupils eligible for Pupil Premium
- 7% of pupils from ethnic minority backgrounds
- 13% of children on SEN register

Elaine School –

- 47% of pupils eligible for Pupil Premium
- 19% of pupils from ethnic minority backgrounds
- 18% of children on SEN register

To ensure that standards are continually raised the Inspire Partnership delivers a programme of internal and external reviews of curriculum areas and has an external quality assurance review as part of its membership of Challenge Partners. We also have a 'core offer' of professional development which underpins staff training and learning within the Trust.

INSPIRE PARTNERSHIP ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

We have now completed our first full year as a Trust with lots to celebrate and also lots to reflect upon. We can feel proud that our Partnership reputation for school improvement continues to grow and that our impact for improving learning outcomes remains strong. This year, we have supported more than 25 schools across the country and delivered training for staff on a larger scale than ever before. New programmes delivered this year included:

- Teaching assistant training
- Coaching training for aspirant leaders (Stepping Ahead Coaching)
- Challenge Partners 'Challenge the Gap' training

We are now working with schools in Knowsley, Medway, Bedfordshire, Wakefield, London and Doncaster. We generated over £65 000 worth of income in this academic year which supplements our 'in-house' training programmes and enables staff to engage in transformational professional development opportunities such as the Getting Ahead London coaching programme and belonging to national networks like the ASCL Council and the Headteacher's Roundtable.

Highlights for the Trust this year include:

- Increased pupil outcomes in key stage two with standards across the Trust higher than national averages
- A significant improvement in the performance of Maundene Primary School's pupil outcomes at key stage two
- Revision of the Inspire Partnership curriculum
- Increased leadership capacity across our schools and all schools fully staffed in both Greenwich and Medway schools.

EYFS Outcomes

- 80% of pupils across the Trust achieved the 'good level of development' in 2018 compared to 86% in 2017.
- 53 pupils across the Trust did not achieve a good level of development in 2018. Of these, the majority were pupils with SEND and with EHC plans.
- More were white British boys.
- Analysis shows that there is no link between the proportion of pupils achieving the GLD and English as an additional language.

Key Stage 1

- 82% of pupils achieved the phonics pass mark in 2018 compared to 86% in 2017.
- Analysis of the pupils who failed to achieve the pass mark identifies that these pupils were pupils with SEND and complex needs. For example, 6 pupils at Rockliffe Manor did not achieve the phonics pass mark, all of whom with SEND needs.
- 73% of pupils in key stage one achieved the expected standard compared to 84% in 2017. This figure was impacted on by Maundene Primary School's attainment which dropped to 67% from 83% in 2017
- Writing was the lowest area of achievement across the trust.
- The percentage of pupils evaluated at greater depth learning remains above the national percentage but is a Trust priority for 2019

Key Stage 2

- The percentage of pupils achieving the expected standards in reading, writing and maths at key stage two increased by 12% to 69% in 2018. This was partly because of the increase in outcomes from Maundene Primary School and also improved performance from Rockliffe Manor and Foxfield Primary School
- Outcomes at Woodhill were lower than 2017 but it is worth noting that 7 pupils still need to be removed from their data set and 40% of the pupils in the current Y6 cohort are recent arrivals to the school.
- Attainment in maths showed the highest collective increase compared to 2017 outcomes which reflects the work undertaken by our maths team across the Trust.
- Reading outcomes also improved in 2018 but are still only just above national outcomes.
- Increasing the proportion of pupils who achieve the 'greater depth' standard remains a Trust priority.

INSPIRE PARTNERSHIP ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Key performance indicators

One of our Partnership KPIs is the Ofsted Framework for Inspection. Inspectors must judge the quality of education provided in the school. This is the overarching judgement by which our schools are evaluated.

We invite external challenge to support Trust evaluation through our membership of Challenge Partners. This provides external validation of our strengths and areas for development, focussing mainly on the impact of teaching on learning. Through the Inspire Partnership core offer, this is supplemented by:

- internal moderation of standards in core subject areas
- benchmarking Trust standards with Partnership exemplification materials
- sharing best practice through Partnership hub meetings
- Cross school learning walks and monitoring
- Termly Improvement Partner visits for school leaders

Our broader aims are to ensure that our leadership of teacher development enables everyone to make a contribution within our schools, between our schools and beyond our schools. This then maximises our potential to ensure staff retain the triple focus of being:

- Inner facing – in tune with our own personal learning needs and capacity to learn
- Outer facing – actively seeking to learn from other organisations and engaging in evidence to inform practice
- Other facing – able to support and learn with others because of an expectation about how important our relationships and interdependency are for each other

The performance tables for each school can be found on their websites.

Using the key performance indicators in the new Ofsted framework the Executive Team currently grades:

- Foxfield School as 'Good'
- Rockliffe Manor School as 'Good'
- Woodhill School as 'Outstanding'
- Maundene School as 'Good'
- Elaine School as 'Requires Improvement'

This is supported by the latest Ofsted inspections and Inspire Partnership Academy Trust Internal monitoring systems.

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 the board of trustees 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.

INSPIRE PARTNERSHIP ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Financial review

Most of the Academy's income is obtained from the Education and Skills Funding Agency (ESFA) and the Local Authority in the form of recurrent grants, some of which are restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2018 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

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

During the period ended 31 August 2018, total expenditure of £12,827k (2017 restated: £2,891k) was met by recurrent grant funding from the ESFA together with other incoming resources. The excess of income over expenditure the period (excluding pension deficit on conversion, restricted fixed asset funds and transfers to restricted fixed asset funds) was £649k (2017 restated: £471k).

At 31 August 2018 the net book value of fixed assets was £38,427k (2017 restated: £31,615k). Movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The Local Government pension scheme, in which the Academy participates, showed a deficit of £4,004 (2017: £2,935k) at 31 August 2018.

Reserves policy

The directors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The directors have determined that the appropriate level of free reserves should be equivalent to 4 week's expenditure, which is approximately £750k (2017: £ 750k).

The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The academy's current level of free reserves is £903k (2017: £723k) (total funds less the amount held in fixed assets and restricted funds). The trustees' will review the policy regularly and try and build up the free reserves to the sufficient level.

The Academy held fund balances at 31 August 2018 of £35,186k (2017 restated: £29,305k) comprising £34,283k (2017 restated: £28,582k) of restricted funds and £903k (2017: £723k) of unrestricted general funds. Of the restricted funds, £38,427k (2017 restated: £31,615k) is represented by tangible fixed assets, £nil (2017: £10k) by unspent grants, £(40)k (2017: nil) of grant expenditure where the academy is waiting for the income and £(100)k (2017: £(108)k) in a loan due to the local authority. The Pension reserve which is considered part of restricted funds was £4,004k (2017: £2,935k) in deficit.

Investment policy

Under the Memorandum and Articles of Association, the academy has the power to invest funds not immediately required for its own purposes, in any way the Trustees see fit. The organisation has a positive cash balance to cover eventualities and unforeseen expenses. The banking facilities are reviewed on a regular basis.

INSPIRE PARTNERSHIP ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Principal risks and uncertainties

The Directors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances particularly in respect to funding Arrangements where further cuts in grants are anticipated. The one and three year budgeting process is used to flag future changes in grants, and ensures planned resources allow the Academy to meet its objectives while staying within financial limits.

The Directors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. The Directors have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

The principal risks to Inspire Partnership Academy Trust are:

1. The main financial risks, relate to the risk of an income shortfall due to the likelihood of further government spending reductions affecting our general grant.
2. Failure to achieve the highest quality standards for children. In order to mitigate this risk Directors ensure high quality recruitment and performance management of all senior staff. All systems and processes are focussed on school improvement, there is a rigorous monitoring and accountability system focussing on children's outcomes.
3. Failure to use funds effectively. Financial management processes are being re-defined to ensure there is clarity over financial accountability which ensures principles of best value, transparency of information and a focus on core work.
4. The increase in portfolio means the trust has to ensure greater level of central compliance. The trust is putting in place a range of both internal and external systems to ensure compliance with statutory and industry specific guidelines.

The Inspire Partnership Academy Trust has a risk register that lists the key risks and discusses mitigating factors. This is reviewed on both in terms of ensuring that the mitigating factors are still relevant and whether any of the action plans need reviewing. We have a named Trustee who is responsible for monitoring our management of risk.

Financial and risk management objectives and policies

The financial risks to which The Academy is exposed to relate primarily to:

- Change in government and legislation
- Potential of reduced funding and cash flow
- Reduction in student numbers

A risk arises in relation to the defined benefit pension scheme, due to the fact that there is a deficit of £4,004k (2017: £2,935k).

Plans for future periods

The Year Ahead

As we look towards next academic year, there still remains some significant challenges to navigate. These include:

- Increasing the progress scores between key stage one and key stage two in reading
- Stabilising school budgets so that the 3-year forecast remains healthy
- Increasing the proportion of pupils who achieve greater depth learning across the Trust
- Continuing to meet the needs of vulnerable pupils including pupils with SEND and additional complex needs
- Growing in size by at least one school next academic year
- Ensuring strong governance and leadership across the Trust

INSPIRE PARTNERSHIP ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Auditor

In so far 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, was approved by order of the board of trustees, as the company directors, on 12/12/18..... and signed on its behalf by:



K Giles
Chair

INSPIRE PARTNERSHIP ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

Scope of responsibility

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

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met four times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
J Babbie	2	4
R Carpenter (Accounting Officer)	4	4
H Cheuk (Resigned 31 July 2018)	4	4
F Dickson (Resigned 15 March 2018)	2	3
D Ellison- Lee	3	4
B Essen	2	4
I Morley ((Chair to 10/09/18))	4	4
E Nedjari	4	4
K Wrixon (Resigned 31 December 2017)	0	2
R Saysell (Resigned 14 September 2017)	0	1
V Williams (Resigned 13 October 2017)	0	0
M Ward (Appointed 14 December 2017)	2	2
K Hooper (Appointed 14 December 2017)	1	2
K Giles ((Chair from 11/09/18)) (Appointed 11 September 2018)	0	0
J Gordon (Appointed 11 September 2018)	0	0
P Rabiger (Appointed 11 September 2018)	0	0

Whilst there have been changes to the board of trustees during the year, the number of trustees has remained the same at 11.

Trustees have driven strategy and continuous improvement across the Trust, set the Trust priorities for the year, assessed structure, capacity and growth, and provided the right balance of support and challenge to the leadership across the Inspire Partnership.

During 2017/18 the Inspire Partnership Trust board reviewed and strengthened expertise in the following areas:

- Provided additional separation between local governance and trust governance by removing Chairs of Governors from roles as Trustees within the partnership
- Undertaken a review of our Trust skills audit to further refine the Trust board and maximise expertise
- Recruited trustee expertise in financial leadership and property management
- Appointed a Chief Financial Officer and a HR Manager to the Trust board
- Reviewing local governance within our Inspire Partnership schools leading to the amalgamation of two schools' governing bodies with further plans to amalgamate another two schools' governing bodies
- Joined membership of the professional organisation FASNA (now called the Confederation of Schools Trust) to ensure the Trust has access to impartial professional advice relating to the functions of the Trust.
- Development of a Trust wide dashboard to strengthen accountability at Trust level
- Successfully bid for MDIF funding specifically to support the education growth strategy in Medway.

INSPIRE PARTNERSHIP ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

These strategic actions enabled complete separation between Trustees and members of Local Governing Bodies. This was essential in order for Trustees to maintain strategic oversight of the Trust and ensure confidentiality, accountability and transparency of decision making. These actions also enabled the Trust to successfully manage the integration of two new schools into the Trust with Maundene Primary School joining in January 1st 2018 and Elaine Primary School joining in May 1st 2018.

At strategic school improvement level, the Trust undertook the following activities relating to new schools joining:

- Successfully undertook a process of due diligence at both schools
- Worked closely with Medway local authority to ensure required building works at Maundene Primary School were completed within the agreed timescale
- Ensured Elaine Primary School successfully managed the transference from the Williamson Trust to the Inspire Partnership during a period of unrest and transition

Key challenges for the Trust in 17/18 included:

- Developing capacity at Trust level through the appointment of a Chief Financial Officer and HR Manager
- Utilising teaching resources to maximum effect - for example deployment of staff across out Trust schools
- Ensuring we had capacity to deliver our school improvement model with two new schools joining the Trust
- Developing our Trust dashboard and timeline for assessment across our schools
- Managing successful financial planning across the Trust at a time of diminishing resources
- Ensuring that focus is on what matters to us as a Trust - such as our curriculum statement
- Supporting the professional development of senior and middle leaders across the Trust
- Ensuring performance management of senior leaders is effective

The Trust Board is very reflective and learns from mistakes, a key attribute of the Inspire Partnership. Trustees approach every challenge with a keen strategic focus and develops innovative solutions that are unique to our partnership. We are continuously reviewing successes and areas for further development but are relentlessly focused on the successful organisational development of the Trust so that we maximise existing capacity. The work to amalgamate local governing bodies is an excellent example of this.

As we look forward to 2018/19, we have planned a variety of Trust review activities. These include:

- Delivering a Trust visioning day to evaluate our strengths and areas of need
- Appointment of new trustees and a new Chair of Trustees
- Reviewing performance management arrangements for all teachers and staff across the Trust
- Commitment to reviewing the current Scheme of Delegation
- Commissioning an external review of the Trust Board in the summer term of 2019

The Resources Committee is a sub-committee of the main board of trustees.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
R Carpenter (Accounting Officer)	2	2
H Cheuk (Resigned 31 July 2018)	1	2
F Dickson (Resigned 15 March 2018)	0	2
B Essen	1	2
I Morley ((Chair to 10/09/18))	1	2
E Nedjari	2	2
K Wrixon (Resigned 31 December 2017)	0	1
M Ward (Appointed 14 December 2017)	1	1

INSPIRE PARTNERSHIP ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Review of value for money

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

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

- The Academy Trust has taken advantage of group negotiation in respect of larger contracts to provide security, economies of scale and expertise in specialist areas.
- Over the past financial year the Trust has achieved Value for Money because results in all of the schools that were in the Trust for the whole financial year have improved significantly.

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 Partnership Academy Trust for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The risk and control framework

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint a responsible officer within its Trust, but to have its Auditors Wilkins Kennedy cover this role, by providing additional external checks and balances. The Board have appointed Wilkins Kennedy, to complete the internal audit function. Wilkins Kennedy's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems.

INSPIRE PARTNERSHIP ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

In particular the checks carried out in the current period include:

- Testing of control systems
- Testing of control account/ bank reconciliation
- Review of policies and procedures and adherence thereon
- Review of governance and training of Trustees

Wilkins Kennedy reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board's financial responsibilities. The role is carried out by a separate team at Wilkins Kennedy with no connection to the audit team, this is to ensure the reviews are carried out independently.

The Trustees' confirm the internal auditor has delivered their schedule of work as planned, and no material control issues arose as a result of the internal auditor's work.

Review of effectiveness

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

- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process [if relevant];
- 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 Board and a plan to address weaknesses [if relevant] and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 12/12/18 and signed on its behalf by:



R Carpenter
Accounting Officer



K Giles
Chair

INSPIRE PARTNERSHIP ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2018

As accounting officer of Inspire Partnership Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education & 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 2017.

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

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

R Carpenter
Accounting Officer



INSPIRE PARTNERSHIP ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2018

The trustees (who are also the directors of Inspire Partnership Academy Trust for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgements 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 12/12/18 and signed on its behalf by:



K Giles
Chair

INSPIRE PARTNERSHIP ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INSPIRE PARTNERSHIP ACADEMY TRUST

FOR THE YEAR ENDED 31 AUGUST 2018

Opinion

We have audited the financial statements of Inspire Partnership Academy Trust for the year ended 31 August 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2018 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 2015 and the Academies Accounts Direction 2017 to 2018.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

INSPIRE PARTNERSHIP ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INSPIRE PARTNERSHIP ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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 financial statements are prepared is consistent with the financial statements; and
- the trustees' report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

INSPIRE PARTNERSHIP ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INSPIRE PARTNERSHIP ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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.

Wilkins Kennedy Audit Services

Michelle Wilkes (Senior Statutory Auditor)
for and on behalf of Wilkins Kennedy Audit Services

20/12/18

Statutory Auditor

Greytown House
221-227 High Street
Orpington
Kent
BR6 0NZ

INSPIRE PARTNERSHIP ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2018

In accordance with the terms of our engagement letter dated 12 September 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Inspire Partnership Academy Trust during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Inspire Partnership 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 Partnership 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 Partnership Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Inspire Partnership Academy Trust's funding agreement with the Secretary of State for Education dated 30 May 2017 and the Academies Financial Handbook, extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion as well as additional testing based on our assessment of risk of material irregularity.

INSPIRE PARTNERSHIP ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2018

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Wilkins Kennedy Audit Services

Reporting Accountant

Wilkins Kennedy Audit Services
Greytown House
221-227 High Street
Orpington
Kent
BR6 0NZ

Dated: 20/12/18.....

INSPIRE PARTNERSHIP ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2018

		Unrestricted Funds	Restricted funds: General Fixed asset		Total 2018	Total 2017 as restated
	Notes	£'000	£'000	£'000	£'000	£'000
Income and endowments from:						
Donations and capital grants	3	83	-	37	120	22
Donations - transfer from local authority on conversion	25	63	(1,341)	4,104	2,826	29,815
Donations - transfer of existing academy into the trust	25	28	-	3,169	3,197	-
Charitable activities:						
- Funding for educational operations	4	-	11,147	-	11,147	2,400
Other trading activities	5	371	-	-	371	97
Investments	6	1	-	-	1	-
Total		<u>546</u>	<u>9,806</u>	<u>7,310</u>	<u>17,662</u>	<u>32,334</u>
Expenditure on:						
Charitable activities:						
- Educational operations	9	169	12,170	488	12,827	2,891
Total	7	<u>169</u>	<u>12,170</u>	<u>488</u>	<u>12,827</u>	<u>2,891</u>
Net income/(expenditure)		377	(2,364)	6,822	4,835	29,443
Transfers between funds	18	(197)	199	(2)	-	-
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit pension schemes	20	-	1,046	-	1,046	(138)
Net movement in funds		180	(1,119)	6,820	5,881	29,305
Reconciliation of funds						
Total funds brought forward		723	(2,925)	31,507	29,305	-
Total funds carried forward		<u>903</u>	<u>(4,044)</u>	<u>38,327</u>	<u>35,186</u>	<u>29,305</u>

INSPIRE PARTNERSHIP ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

Comparative information ended 31 August 2017 As restated	Notes	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2017 £'000
Income and endowments from:					
Donations and capital grants	3	22	-	-	22
Donations - transfer from local authority on conversion	25	736	(2,643)	31,722	29,815
Charitable activities:					
- Funding for educational operations	4	-	2,400	-	2,400
Other trading activities	5	97	-	-	97
Total		<u>855</u>	<u>(243)</u>	<u>31,722</u>	<u>32,334</u>
Expenditure on:					
Charitable activities:					
- Educational operations	9	21	2,763	107	2,891
Total	7	<u>21</u>	<u>2,763</u>	<u>107</u>	<u>2,891</u>
Net income/(expenditure)		834	(3,006)	31,615	29,443
Transfers between funds	18	(111)	219	(108)	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	20	-	(138)	-	(138)
Net movement in funds		723	(2,925)	31,507	29,305
Reconciliation of funds					
Total funds brought forward		-	-	-	-
Total funds carried forward		<u>723</u>	<u>(2,925)</u>	<u>31,507</u>	<u>29,305</u>

INSPIRE PARTNERSHIP ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2018

		2018		2017 as restated	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	13		38,427		31,615
Current assets					
Debtors	14	455		725	
Cash at bank and in hand		1,498		538	
		<u>1,953</u>		<u>1,263</u>	
Current liabilities					
Creditors: amounts falling due within one year	15	(1,140)		(584)	
Net current assets			813		679
Total assets less current liabilities			39,240		32,294
Creditors: amounts falling due after more than one year	16		(50)		(54)
Net assets excluding pension liability			39,190		32,240
Defined benefit pension scheme liability	20		(4,004)		(2,935)
Net assets			<u>35,186</u>		<u>29,305</u>
Funds of the academy trust:					
Restricted funds	18				
- Fixed asset funds			38,327		31,507
- Restricted income funds			(40)		10
- Pension reserve			(4,004)		(2,935)
Total restricted funds			34,283		28,582
Unrestricted income funds	18		903		723
Total funds			<u>35,186</u>		<u>29,305</u>

The financial statements on pages 24 to 51 were approved by the trustees and authorised for issue on 12/12/18 and are signed on their behalf by:



K Giles
Chair

Company Number 10421212

INSPIRE PARTNERSHIP ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2018

		2018		2017 as restated	
	Notes	£'000	£'000	£'000	£'000
Cash flows from operating activities					
Net cash provided by/(used in) operating activities	21		866		(313)
Cash funds transferred on conversion			91		743
			<u>957</u>		<u>430</u>
Cash flows from investing activities					
Dividends, interest and rents from investments		1		-	
Capital grants from DfE Group		37		-	
Purchase of tangible fixed assets		(27)		-	
		<u></u>		<u></u>	
Net cash provided by/(used in) investing activities			11		-
Cash flows from financing activities					
Repayment of long term bank loan		46		54	
Repayment of other loan		(54)		54	
		<u></u>		<u></u>	
Net cash (used in)/provided by financing activities			(8)		108
			<u></u>		<u></u>
Net increase in cash and cash equivalents in the reporting period			960		538
Cash and cash equivalents at beginning of the year			538		-
			<u></u>		<u></u>
Cash and cash equivalents at end of the year			<u>1,498</u>		<u>538</u>

INSPIRE PARTNERSHIP ACADEMY TRUST

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

Inspire Partnership Academy Trust is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

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.

1.1 Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

1.2 Going concern

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

1.3 Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from the schools listed in Note 26 to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Charitable activities – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 25.

1.4 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 period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

INSPIRE PARTNERSHIP ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

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.

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 the 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

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is 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.

1.5 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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

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.

INSPIRE PARTNERSHIP ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

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.

1.6 Tangible fixed assets and depreciation

Assets costing £2,000 or a group of items costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require 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.

The land and buildings at Elaine Primary School have been included at the valuation provided by the ESFA when completing their desktop valuation and then transferred from the previous Trust at Net Book Value. Foxfield School, Rockcliffe Manor School and Woodhill School's land and buildings have been included at a desktop valuation carried out by the Royal Borough of Greenwich. Maundene Primary School's land and buildings have been valued by the directors based on average value per square metre of other schools in the local area.

All schools have a 125 year lease from conversion on the land and buildings with their local authorities.

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

Land and buildings	50 years (land is not depreciated)
Computer equipment	3 years
Fixtures, fittings & equipment	5 years

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

1.7 Liabilities

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

1.8 Leasing commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.9 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.

INSPIRE PARTNERSHIP ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.10 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 chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.11 Pensions 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 and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit method. The 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 are recognised in the period to which they relate.

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

1.12 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.

INSPIRE PARTNERSHIP ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

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

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 14 for the carrying amount of the property plant and equipment, and note 1.6 for the useful economic lives for each class of assets.

Bad debts

Debtors are regularly reviewed for recoverability, any debts which in the opinion of management are not recoverable are provided for as a specific bad debt.

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

INSPIRE PARTNERSHIP ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
Capital grants	-	37	37	-
Other donations	83	-	83	22
	<u>83</u>	<u>37</u>	<u>120</u>	<u>22</u>

4 Funding for the academy trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
DfE / ESFA grants				
General annual grant (GAG)	-	8,538	8,538	1,796
Start up grants	-	70	70	86
Other DfE group grants	-	1,115	1,115	302
National College grants	-	6	6	-
	<u>-</u>	<u>9,729</u>	<u>9,729</u>	<u>2,184</u>
Other government grants				
Local authority grants	-	1,418	1,418	216
	<u>-</u>	<u>1,418</u>	<u>1,418</u>	<u>216</u>
Total funding	<u>-</u>	<u>11,147</u>	<u>11,147</u>	<u>2,400</u>

5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
Hire of facilities	11	-	11	2
Catering income	92	-	92	17
Extended school clubs	71	-	71	-
School to school support	60	-	60	-
Other income	137	-	137	78
	<u>371</u>	<u>-</u>	<u>371</u>	<u>97</u>

INSPIRE PARTNERSHIP ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

6 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
Short term deposits	1	-	1	-

7 Expenditure

	Staff costs £'000	Non Pay Expenditure Premises £'000	Other £'000	Total 2018 £'000	Total 2017 £'000
Academy's educational operations					
- Direct costs	7,993	460	662	9,115	1,954
- Allocated support costs	1,916	652	1,144	3,712	937
	9,909	1,112	1,806	12,827	2,891

Net income/(expenditure) for the year includes:

	2018 £'000	2017 £'000
Fees payable to auditor for:		
- Audit	17	18
- Other services	7	-
Depreciation of tangible fixed assets	488	107
Net interest on defined benefit pension liability	85	18

8 Central services

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

- financial services;
- CPD
- recruitment
- legal services; and
- educational support services

The academy trust charges for these services on the following basis:

7% of GAG (including ESG but excluding ESFA funded high needs)

INSPIRE PARTNERSHIP ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

8 Central services

(Continued)

The amounts charged during the year were as follows:

	2018 £'000	2017 £'000
Woodhill School	185	54
Foxfield School	210	52
Rockcliffe Manor School	72	19
Elaine Primary School	14	-
Maundene Primary School	95	-
	<u>576</u>	<u>125</u>

9 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
Direct costs				
Educational operations	-	9,115	9,115	1,954
Support costs				
Educational operations	169	3,543	3,712	937
	<u>169</u>	<u>12,658</u>	<u>12,827</u>	<u>2,891</u>

	2018 £'000	2017 £'000
Analysis of support costs		
Support staff costs	1,916	333
Depreciation	28	5
Technology costs	50	14
Premises costs	624	121
Other support costs	1,022	420
Governance costs	72	44
	<u>3,712</u>	<u>937</u>

INSPIRE PARTNERSHIP ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

10 Staff

Staff costs

Staff costs during the year were:

	2018 £'000	2017 £'000
Wages and salaries	7,083	1,462
Social security costs	659	141
Pension costs	1,761	378
Staff costs	9,503	1,981
Agency staff costs	299	44
Staff development and other staff costs	107	5
Total staff expenditure	9,909	2,030

Staff numbers

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

	2018 Number	2017 Number
Teachers	99	66
Administration and support	202	127
Management	32	26
	333	219

Higher paid staff

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

	2018 Number	2017 Number
£60,000 - £70,000	10	7
£80,001 - £90,000	4	1
£90,001 - £100,000	1	2
£100,001 - £110,000	1	1
£110,001 - £120,000	1	-

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 national insurance and pension contributions) received by key management personnel for their services to the academy trust was £652k (2017 (3 months):£150k.)

INSPIRE PARTNERSHIP ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

11 Trustees' remuneration and expenses

One Trustee has been paid remuneration or has received other benefits from an employment with the academy trust. The CEO only receives remuneration in respect of services he provided undertaking the role of CEO under his contract of employment, and not in respect of his services as trustees.

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

R Carpenter (Chief Executive Officer) (2017: 3 months)

- Remuneration: £110,000 - £115,000 (2017: £30,001 - £35,000)
- Employers pension contributions £20,000 - £25,000 (2017: £5,000 - £10,000)

During the year, travel payments totalling £151 (2017: £nil) were reimbursed or paid directly to one trustees.

Other related party transactions involving the trustees are set out within the related parties note.

12 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 trust 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.

13 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 September 2017	31,665	16	41	31,722
Transfer on conversion	3,863	-	-	3,863
Transfer from existing academy	3,395	-	15	3,410
Additions	-	19	8	27
At 31 August 2018	38,923	35	64	39,022
Depreciation				
At 1 September 2017	102	1	4	107
Charge for the year	460	10	18	488
At 31 August 2018	562	11	22	595
Net book value				
At 31 August 2018	38,361	24	42	38,427
At 31 August 2017	31,563	15	37	31,615

Included in land and buildings is £13,022k (2017 (restated): £11,361k) of land which is not depreciated.

INSPIRE PARTNERSHIP ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

14 Debtors	2018 £'000	2017 £'000
Trade debtors	27	-
VAT recoverable	145	70
Other debtors	2	429
Prepayments and accrued income	281	226
	<u>455</u>	<u>725</u>
	<u><u>455</u></u>	<u><u>725</u></u>
15 Creditors: amounts falling due within one year	2018 £'000	2017 £'000
Government loans	50	54
Trade creditors	6	22
Other taxation and social security	269	147
Other creditors	204	135
Accruals and deferred income	611	226
	<u>1,140</u>	<u>584</u>
	<u><u>1,140</u></u>	<u><u>584</u></u>
16 Creditors: amounts falling due after more than one year	2018 £'000	2017 £'000
Government loans	50	50
	<u>50</u>	<u>50</u>
Analysis of loans		
Wholly repayable within five years	100	108
Less: included in current liabilities	(50)	(54)
	<u>50</u>	<u>54</u>
Amounts included above	<u><u>50</u></u>	<u><u>54</u></u>
Loan maturity		
Debt due in one year or less	50	54
Due in more than one year but not more than two years	50	54
	<u>100</u>	<u>108</u>
	<u><u>100</u></u>	<u><u>108</u></u>

Included within loans is an amount due to the Local authority due in two annual repayments of £50k which includes interest.

INSPIRE PARTNERSHIP ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

17	Deferred income	2018	2017
		£'000	£'000
	Deferred income is included within:		
	Creditors due within one year	219	-
		<u>219</u>	<u>-</u>
	Deferred income at 1 September 2017	-	-
	Resources deferred in the year	219	-
		<u>219</u>	<u>-</u>
	Deferred income at 31 August 2018	219	-
		<u>219</u>	<u>-</u>

At the balance sheet date the academy trust was holding funds received in advance for universal infant free school meals, rates relief and SEN funding relating to 2018/19.

18	Funds	Balance at			Gains,	Balance at
		1 September			losses and	31 August
		2017	Income	Expenditure	transfers	2018
		£'000	£'000	£'000	£'000	£'000
	Restricted general funds					
	General Annual Grant (GAG)	10	8,538	(8,747)	199	-
	Start up grants	-	70	(70)	-	-
	Other DfE / ESFA grants	-	1,121	(1,161)	-	(40)
	Other government grants	-	1,418	(1,418)	-	-
	Pension reserve	(2,935)	(1,341)	(774)	1,046	(4,004)
		<u>(2,925)</u>	<u>9,806</u>	<u>(12,170)</u>	<u>1,245</u>	<u>(4,044)</u>
	Restricted fixed asset funds					
	Transfer on conversion	-	7,273	-	(7,273)	-
	DfE group capital grants	-	37	-	(37)	-
	Local authority loan	(108)	-	-	8	(100)
	General fixed assets	31,615	-	(488)	7,300	38,427
		<u>31,507</u>	<u>7,310</u>	<u>(488)</u>	<u>(2)</u>	<u>38,327</u>
	Total restricted funds	28,582	17,116	(12,658)	1,243	34,283
		<u>28,582</u>	<u>17,116</u>	<u>(12,658)</u>	<u>1,243</u>	<u>34,283</u>
	Unrestricted funds					
	General funds	723	546	(169)	(197)	903
		<u>723</u>	<u>546</u>	<u>(169)</u>	<u>(197)</u>	<u>903</u>
	Total funds	29,305	17,662	(12,827)	1,046	35,186
		<u>29,305</u>	<u>17,662</u>	<u>(12,827)</u>	<u>1,046</u>	<u>35,186</u>

INSPIRE PARTNERSHIP ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

18 Funds

(Continued)

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

General Annual Grant: Income received from the ESFA to cover the normal running costs of the Academy.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

Start Up Grants: This includes money received from the ESFA to convert from a local authority school to an Academy.

Other DfE/ESFA grants: This includes the pupil premium, rates relief and universal free school meals. The negative fund relates to expenditure on MDIF grant that is not due to be received until after the year end.

Other government grants: This includes early years, pupil premium and High Needs.

The transfer of funds relates to the purchase of fixed assets during the period, capital grants used for expenditure purposes, and the overspend on GAG.

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

	Balance at 11 October 2016 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2017 £'000
Restricted general funds					
General Annual Grant (GAG)	-	1,796	(2,005)	219	10
Start up grants	-	86	(86)	-	-
Other DfE / ESFA grants	-	302	(302)	-	-
Other government grants	-	216	(216)	-	-
Pension reserve	-	(2,643)	(154)	(138)	(2,935)
	-	(243)	(2,763)	81	(2,925)
Restricted fixed asset funds					
Transfer on conversion	-	31,722	(5)	-	31,717
DfE group capital grants	-	-	(102)	-	(102)
Capital expenditure from GAG	-	-	-	(108)	(108)
	-	31,722	(107)	(108)	31,507
Total restricted funds	-	31,479	(2,870)	(27)	28,582
Unrestricted funds					
General funds	-	855	(21)	(111)	723
Total funds	-	32,334	(2,891)	(138)	29,305

INSPIRE PARTNERSHIP ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

18 Funds

(Continued)

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 11 October 2016 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
Restricted general funds					
General Annual Grant (GAG)	-	10,334	(10,752)	418	-
Start up grants	-	156	(156)	-	-
Other DfE / ESFA grants	-	1,423	(1,463)	-	(40)
Other government grants	-	1,634	(1,634)	-	-
Pension reserve	-	(3,984)	(928)	908	(4,004)
	-	9,563	(14,933)	1,326	(4,044)
Restricted fixed asset funds					
Transfer on conversion	-	38,995	(5)	(7,273)	31,717
DfE group capital grants	-	37	(102)	(37)	(102)
Capital expenditure from GAG	-	-	-	(108)	(108)
Local authority loan	-	-	-	8	8
General fixed assets	-	-	(488)	7,300	6,812
	-	39,032	(595)	(110)	38,327
Total restricted funds	-	48,595	(15,528)	1,216	34,283
Unrestricted funds					
General funds	-	1,401	(190)	(308)	903
Total funds	-	49,996	(15,718)	908	35,186

INSPIRE PARTNERSHIP ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

18 Funds

(Continued)

Total funds analysis by academy

	2018 £'000	2017 £'000
Fund balances at 31 August 2018 were allocated as follows:		
Woodhill School	168	177
Foxfield School	381	381
Rockliffe Manor School	65	31
Elaine Primary School	112	-
Maundene Primary School	30	-
Inspire Partnership	107	144
	<hr/>	<hr/>
Total before fixed assets fund and pension reserve	863	733
Restricted fixed asset fund	38,327	31,507
Pension reserve	(4,004)	(2,935)
	<hr/>	<hr/>
Total funds	35,186	29,305
	<hr/>	<hr/>

Total cost analysis by academy

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

	Teaching and educational support staff £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	Total £'000
Woodhill School	2,643	335	88	880	3,946
Foxfield School	2,748	374	118	984	4,224
Rockliffe Manor School	845	148	20	304	1,317
Elaine Primary School	500	24	10	99	633
Maundene Primary School	700	129	13	266	1,108
Inspire Partnership	450	906	2	(247)	1,111
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	7,886	1,916	251	2,286	12,339
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

INSPIRE PARTNERSHIP ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

19 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	38,427	38,427
Current assets	903	1,050	-	1,953
Creditors falling due within one year	-	(1,090)	(50)	(1,140)
Creditors falling due after one year	-	-	(50)	(50)
Defined benefit pension liability	-	(4,004)	-	(4,004)
Total net assets	903	(4,044)	38,327	35,186

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	31,615	31,615
Current assets	723	540	-	1,263
Creditors falling due within one year	-	(530)	(54)	(584)
Creditors falling due after one year	-	-	(54)	(54)
Defined benefit pension liability	-	(2,935)	-	(2,935)
Total net assets	723	(2,925)	31,507	29,305

20 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 Royal Borough of Greenwich. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £202k (2017: £64k) were payable to the schemes at 31 August 2018 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

INSPIRE PARTNERSHIP ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

20 Pension and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £646k (2017: £144k).

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 scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 24% for employers and 5.5% to 12.5% for employees.

The LGPS obligation relates to the employees of the academy trust who were employees transferred as part of the conversion from the maintained school (as described in note 25) together with new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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

INSPIRE PARTNERSHIP ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

20 Pension and similar obligations

(Continued)

Total contributions made	2018 £'000	2017 £'000
Employer's contributions	485	98
Employees' contributions	155	32
Total contributions	640	130

Principal actuarial assumptions	2018 %	2017 %
Rate of increase in salaries	3.8	4.2
Rate of increase for pensions in payment/inflation	2.3	2.7
Discount rate for scheme liabilities	2.7	2.6
Inflation assumption (CPI)	2.3	2.7

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

	2018 Years	2017 Years
Retiring today		
- Males	22.9	22.6
- Females	25.0	24.8
Retiring in 20 years		
- Males	25.1	24.7
- Females	27.3	27.0

Scheme liabilities would have been affected by changes in assumptions as follows:

	2018 £'000	2017 £'000
Discount rate + 0.1%	-148	(136)
Discount rate - 0.1%	153	140
Mortality assumption + 1 year	157	141
Mortality assumption - 1 year	-152	(136)
Salary rate + 0.1%	16	19
Salary rate - 0.1%	-16	(19)
Pension rate + 0.1%	137	121
Pension rate - 0.1%	-133	(117)

Defined benefit pension scheme net liability

Scheme assets	3,585	1,475
Scheme obligations	(7,589)	(4,410)
Net liability	(4,004)	(2,935)

INSPIRE PARTNERSHIP ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

20 Pension and similar obligations

(Continued)

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

	2018 Fair value £'000	2017 Fair value £'000
Equities	1,252	140
Bonds	488	269
Unitised insurance policies	740	658
UK & overseas unit trusts	517	248
Property	400	145
Other assets	188	15
Total market value of assets	3,585	1,475

The actual return on scheme assets was £57,000 (2017: £6,000).

Amount recognised in the Statement of Financial Activities

	2018 £'000	2017 £'000
Current service cost	1,173	234
Interest income	(62)	(9)
Interest cost	147	27
Administration expenses	1	-
Total operating charge	1,259	252

Changes in the present value of defined benefit obligations

	2018 £'000	2017 £'000
At 1 September 2017	4,410	-
Obligations acquired on conversion	859	3,982
Transferred in on existing academies joining the academy trust	1,953	-
Current service cost	1,173	234
Interest cost	147	27
Employee contributions	155	32
Actuarial (gain)/loss	(1,051)	135
Benefits paid	(58)	-
Effect of non-routine settlements and administration expenses	1	-
At 31 August 2018	7,589	4,410

INSPIRE PARTNERSHIP ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

20 Pension and similar obligations

(Continued)

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

	2018 £'000	2017 £'000
At 1 September 2017	1,475	-
Assets acquired on conversion	440	1,339
Transferred in on existing academies joining the academy trust	1,031	-
Interest income	62	9
Actuarial loss	(5)	(3)
Employer contributions	485	98
Employee contributions	155	32
Benefits paid	(58)	-
At 31 August 2018	3,585	1,475

21 Reconciliation of net income to net cash flow from operating activities

	2018 £'000	2017 £'000
Net income for the reporting period (as per the Statement of Financial Activities)	4,835	29,443
Adjusted for:		
Net surplus on conversion to academy	(6,023)	(29,815)
Capital grants from DfE/ESFA and other capital income	(37)	-
Investment income receivable	(1)	-
Defined benefit pension costs less contributions payable	689	136
Defined benefit pension net finance cost	85	18
Depreciation of tangible fixed assets	488	107
Decrease/(increase) in debtors	270	(725)
Increase in creditors	560	530
Stocks, debtors and creditors transferred on conversion	-	(7)
Net cash provided by/(used in) operating activities	866	(313)

INSPIRE PARTNERSHIP ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

22 Commitments under operating leases

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

	2018 £'000	2017 £'000
Amounts due within one year	14	12
Amounts due in two and five years	29	40
	<u>43</u>	<u>52</u>

23 Related party transactions

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

Last year £9,484 was paid to Education Business Management Services Limited, a company owned by Mr V Williams, for legal and professional services in relation to conversion. At the year end £nil (2017: £2,585) was due.

Mr R Carpenter, a director of the Trust, wife is employed as the Executive Headteacher at one of the Trust's Schools.

In entering into these transactions, the academy trust has complied with the requirements of the Academies Financial Handbook 2016.

24 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

INSPIRE PARTNERSHIP ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

25 Conversion to an academy

On 1 January 2018 the Maundene Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Inspire Partnership Academy Trust from the Local Authority for £nil consideration. On 1 May 2018 Elaine Primary School transferred from the Williamson Trust.

The transfer of Maundene Primary School has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the statement of financial activities as donations – transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities. This includes the transfer amounts for Elaine Primary School, the details of this transfer are shown in the following note.

Academy	Location	Date of conversion
Elaine Primary School	Rochester	1 May 2018
Maundene Primary School	Chatham	1 January 2018

Net assets transferred:	2018 £'000
Freehold land and buildings	7,258
Other tangible fixed assets	15
Cash	91
LGPS pension surplus/(deficit)	(1,341)
	<u>6,023</u>

	Unrestricted Funds £'000	Restricted funds:		Total 2018 £'000
Funds surplus/(deficit) transferred:	£'000	General £'000	Fixed asset £'000	£'000
Fixed assets funds	-	-	7,273	7,273
LA budget funds	91	-	-	91
LGPS pension funds	-	(1,341)	-	(1,341)
	<u>91</u>	<u>(1,341)</u>	<u>7,273</u>	<u>6,023</u>

INSPIRE PARTNERSHIP ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

26 Transfer of existing academies into the academy trust

On 1. May 2018 Elaine Primary School transferred from an existing Trust, The Williamson Trust. The amounts transferred were:

	Value reported by Transferring Trust £'000	Fair Value Adjustments £'000	Transfer in Recognised £'000
Tangible Fixed assets			
Leasehold land and buildings	3,395	-	3,395
Furniture and Equipment	15	-	15
Computer Equipment	-	-	-
Current Assets			
Debtors	-	-	-
Bank	-	30	30
Liabilities			
Creditors due in less than one year	17	(17)	-
Creditors Due greater than one year	-	-	-
Pensions			
Pension Liability	(1,007)	85	(922)
Net assets / (liabilities)	2,420	98	2,518

27 Prior period adjustment

	1 September 2016 £'000	31 August 2017 £'000
Reconciliation of funds		
Funds as previously reported	-	(2,258)
Adjustments arising:		
Increase in tangible fixed assets	-	31,563
Funds as restated	-	29,305
Reconciliation of net income for the previous financial period		2017 £'000
Net expenditure as previously reported		(2,120)
Adjustments arising:		
Increase in transfer on conversion		31,665
Depreciation charge		(102)
Net income as restated		29,443

INSPIRE PARTNERSHIP ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

27 Prior period adjustment

(Continued)

Notes to restatement

In the previous period no evidence was available to the academy to the value of the land and buildings transferred on conversion and consequently no value was attributed to those assets in the financial statements.

During the year ended 31 August 2018 the academy received a desk top valuation from the ESFA for £32m and the property and associated depreciation has been included in these financial statements by way of a prior period adjustment.