

Company Registration Number: 07657307 (England & Wales)

INSIGNIS ACADEMY TRUST
(A company limited by guarantee)

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

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INSIGNIS ACADEMY TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Members

G Bull
D Griffiths
M Hardy
I Bryant

Trustees

S Box, Chief Executive Officer / Executive Headteacher & Accounting Officer
G Bull, Chair of Trustees
N Habgood (appointed 3 September 2018)
M Hardy
S Louis
A Whithell

Company registered number

07657307

Company name

Insignis Academy Trust

Principal and registered office

c/o Sir Henry Floyd Grammer School, Oxford Road, Aylesbury, Buckinghamshire, HP21 8PE

Company secretary

J Huskinson

Senior management team

S Box, Chief Executive Officer & Accounting Officer
J Huskinson, Chief Operations Officer/ Chief Financial Officer

Independent auditors

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

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

Bankers

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

Lloyds Bank PLC, 13 Cornmarket, Oxford, Thame, OX9 2BN

Metro Bank PLC, 247-249 Cronwell Road, Kensington, London, SW5 9GA

Solicitors

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

INSIGNIS ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

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

Structure, governance and management

a. Constitution

Insignis Academy Trust (IAT) is a charitable company limited by guarantee and an exempt charity.

The charitable company's Trust deed is the primary governing document of the academy.

The Trustees of IAT are also the directors of the charitable company for the purposes of company law.

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

b. Members' liability

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

c. Method of recruitment and appointment or election of Trustees & Governors

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

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

- Headteacher
- 2-3 Parent Governors, elected by the parental body
- 1-2 Staff Governors, appointed by the staff body
- 3-6 Governors, appointed by the Trust Board
- Up to 3 Co-Opted Governors.

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

The Chair of IAT Board of Trustees takes overall responsibility for the recruitment of all Trustees and Governors, aiming to achieve a balance of skills and experience across the Trust and Local Governing Bodies.

Headteachers take operational responsibility, directed by the Chair of IAT Board of Trustees, on behalf of the Local Governing Bodies for the recruitment process of Parent and Staff Governors via communication with the respective cohorts and organising elections as required. The Trust Board ratifies the appointment of all Governors, and the Members and Trustees ratify the appointment of all Trustees

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

Structure, governance and management (continued)

d. Policies adopted for the induction and training of Trustees

IAT and the Local Governing Bodies purchase a support service that includes provision for training across a wide range of areas. The Chair of Trustees is responsible for ensuring Trustees and Members take up appropriate training opportunities to improve their knowledge and skills. The Chairs of the Local Governing Bodies ensure all Governors are able to take advantage of the training available and to monitor its effectiveness.

On appointment all new Members, Trustees and Governors:

- meet with the Chair of IAT and/or the Chair of the Local Governing Bodies (as appropriate), the CEO and/or Headteacher (as appropriate) and the Company Secretary
- are provided with an agreed set of information and guidelines
- are required to attend induction courses
- are invited to attend the full range of committee meetings
- are required to sign a Declaration of Business Interest
- are required to sign the IAT Code of Conduct
- are required to familiarise themselves with the KCSIE guidance

All Trustees attend the IAT Board of Trustees meetings. All Governors are appointed to at least one committee of their Local Governing Body.

e. Organisational structure

IAT is managed by a Board of Trustees. The Trustees delegate responsibility for certain areas of the school's operation to the Local Governing Bodies in line with the agreed Scheme of Responsibility and Financial Scheme of Delegation.

IAT take responsibility for setting the strategic direction of the IAT and its constituent schools, monitoring performance (both academic and financial), agreeing school budgets, authorising financial arrangements above agreed limits, delivering policies and procedures for its schools to operate by, agreeing the overall staff structure, and appointing members of the Senior Leadership Team (including setting their remuneration).

On 1 September 2018 Princes Risborough School (PRS) joined IAT following recent OFSTED inspections which identified the need for PRS to have a sponsor.

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

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

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

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

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

Structure, governance and management (continued)

g. Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time	£
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Total cost of facility time	-
Total pay bill	-
Percentage of 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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Objectives and activities

a. Objects and aims

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

"To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum."

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

In accordance with the Articles of Association, the Trust has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government is part of the wider 'Master Funding Agreement' between the Company and the Secretary of State and 'Supplemental Funding Agreements' for each Academy.

A copy of the full Articles of Association, Master Funding Agreement and Supplementary Funding Agreements are available to read on IAT's website www.insignis.org.uk

Princes Risborough School joined Insignis Academy Trust on 1 September 2018.

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

Objectives and activities (continued)

b. Objectives, strategies and activities

Within the objects and aims of the Trust the two schools have their own strategic plans. The Strategic Plan for Sir Henry Floyd Grammar School outlines its specific aim as producing a world class quality of education at Sir Henry Floyd Grammar School.

Our ambitions for Sir Henry Floyd Grammar School have been that:

- our students will consistently outperform students from similar contexts
- our students will be compelling candidates in their field for higher education and employment
- our students will be highly literate scientifically, mathematically, technologically and culturally
- our students will benefit from being part of a school that focuses on their individual needs so that they are committed to, and engaged in the organisation
- our students will be excellent learners, dedicated to and equipped for lifelong learning
- our students will be taught in a well-led, supportive environment consisting of positive relationships, high quality equipment, well managed finance and highly motivated staff

The ambitions for Princes Risborough School over the year 2018/19 have been that:

- our students will have an appropriate curriculum for all abilities
- our students will be taught by subject experts with appropriate skills, knowledge and ambition
- our students will receive appropriate guidance and support to successfully and resiliently engage in their learning
- our parents are continually involved in supporting their children's learning and success
- our whole community will benefit from a conducive working environment that supports academic progress, promotes students' pride in their school and pays due attention to health and safety, well-being and financial efficiency

The main actions taken to meet these ambitions are covered in detail in the annual School Development Plan for each school, with each of the areas having a number of specific, time related targets that are regularly monitored by committees of the Local Governing Bodies.

c. Public benefit

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

Strategic report

Achievements and performance

a. Key performance indicators

Achievements and Performance Key Performance Indicators

Sir Henry Floyd Grammar School (SHFGS) is a selective school with an 11+ admissions requirement and PRS is a non-selective school.

Student numbers have grown at both schools. In the autumn census there were 894 students at PRS and 1293

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

Strategic report (continued)

Achievements and performance (continued)

at SHFGS. Indicators published in School Performance tables were as follows:

Measure	SHFGS	PRS	Trust Average	National Average
GCSE Attainment 8	71.8	39.1	55.4	46.5
GCSE Progress 8	0.58	-0.53	+0.05	0
% achieving GCSE 5+ in English and maths	97.4%	25.6%	62%	43%
A level % A* to B	67%	28%		
A level % A* to C	89%	48%		
A level % A* to E	100%	97.4%	99%	97.5%
BTEC Average Points	n/a	28.3		
Attendance (2017/18)	95.50%	92.60%	94.20%	94.50%

Ofsted Inspection Reports

Ofsted inspected Sir Henry Floyd Grammar School in 2016 and rated the school as outstanding in every respect. The school received a safeguarding review from Ofsted in 2018 that confirmed the school's arrangements to be effective. The report was strongly positive. Princes Risborough School was inspected in 2017 and was rated as inadequate (behaviour and the quality of the sixth form were graded as good, teaching and outcomes were judged to require improvement and leadership was rated as inadequate). IAT and PRS are focused on improving performance in all areas.

Extra-curricular activities

Sir Henry Floyd Grammar School has continued to run an extra-curricular programme of impressive variety. The school's dance department were successful in the national competition "Rock Challenge". Two World Challenge expeditions went to Nepal and an exchange visit with a Chinese school took place. The summer concert at The Aylesbury Waterside Theatre involved nearly four hundred students. Every student in Years 7 to 9 was given the opportunity of a residential experience and all but thirty took up that opportunity. In total students spent over three thousand nights away from home and the staff spent over three hundred nights away from home running those activities. Throughout the year there were over seventy lunchtime clubs that students could attend.

Princes Risborough School had one lesson on the timetable each week for Enrichment activities. Students choose from a wide range of activities – including sport, bee-keeping, community service and drama. This time is also used for targeted interventions in academic work for students about to sit public examinations. The most notable sporting successes were from the boys' football teams. They were district champions in three age groups and the Year 11 team were county champions.

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

Strategic report (continued)

Achievements and performance (continued)

b. Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that IAT has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

Financial review

a. Reserves policy

The reserves policy requires a minimum level of funding to be held by each school where possible to cover unforeseen events. This is reviewed annually. If a school is unable to comply with this requirement, tighter financial controls are put in place to ensure the long term financial sustainability of the individual school and the Trust overall.

b. Investment policy

The Trust does not permit investments at this stage. This will be reviewed annually. Long term savings at higher interest rates are allowed.

c. Principal risks and uncertainties

The principal financial risks relate to the financial sustainability of IAT and the impact of Government policy on IAT's operations. Recovering a deficit at one school and managing the Trust as a whole to be financial sustainable whilst improving the standards and achievements at both schools is a challenge that the Trustees have to oversee and manage.

Fundraising

Both schools in the Trust have limited fundraising at this stage. This is an area for future development.

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

Plans for future periods

The Trust hoped to have increased the number of academies within its Multi-Academy Trust to three by the end of August 2019. This was in line with the original five-year business model that was set out to deliver a sustainable model of educational improvement. The third school did not join the Trust so the growth plan is under consideration. Our intention is to admit one or two more schools in the next three years.

The Trust has established a number of cross-site support functions (in the areas of IT, HR, Finance and Facilities) so that all students can have the benefit of the best practice available across the sites. The Chief Operating Officer (COO) has established a centralised procurement strategy to realise cost savings and increased effectiveness across the Trust. He has worked alongside the Chief Executive Officer (CEO) in conducting due diligence exercises on potential new schools. The structure of these functions has provided some capacity to integrate other schools.

IAT has a medium term plan to return PRS to a surplus balance. The Trustees are pleased to note an improved financial position at PRS despite significant investment in premises and facilities and the write-off of irrecoverable historic debts totalling £50k.

Disclosure of information to auditors

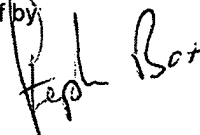
Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 18 December 2019 and signed on its behalf by:



G Bull
Chair of Trustees



S Box
Accounting Officer

INSIGNIS ACADEMY TRUST
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GOVERNANCE STATEMENT

Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the CEO, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the Funding Agreement between IAT 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 8 times during the year.

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

Trustee	Meetings attended	Out of a possible
S Box, Chief Executive Officer & Accounting Officer	8	8
G Bull, Chair of Trustees	8	8
N Habgood	7	8
M Hardy	8	8
S Louis	8	8
A Whithell	7	8

Trustees may also serve on a number of committees of the Board of Trustees, e.g. Finance & Audit Committee. They may also attend Local Governing Body Committee meetings.

Meetings of IAT, the Local Governing Bodies and all committees are minuted and all Trustees and Governors receive the papers and minutes of all appropriate meetings.

The Finance & Audit Committee is a committee of the main Board of Trustees. Its purpose is to:

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

A self-assessment of the Governance of IAT has been undertaken and submitted the Department for Education as required.

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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

As Accounting Officer, the CEO has responsibility for ensuring that IAT 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 IAT's use of its resources has provided good value for money during each academic year, and reports to the board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate.

The Accounting Officer is confident that resources have been used prudently to further the strategic aims of the schools and avoid waste and extravagance. The Accounting Officer has delivered improved value for money during the year as mentioned below:

Outcomes for students

Sir Henry Floyd Grammar School has seen continually improving examination results in recent years. At GCSE the proportion of GCSE entries graded A or A* has risen from 47% in 2009 to 68% in 2019. The 2019 value added measure (Progress 8) is 0.58 indicating that our students typically gained over five GCSE grades higher than they would have done if they had made "average" progress. This represents good value for money.

Some years ago both schools reduced the amount of teaching time given to sixth form courses as a cost saving measure. This reduction in teaching time had no negative effect on results. The quality of our exam results at both schools affirm our view that we have become more efficient in this area.

Both schools are constantly refreshing their methodologies for allocating extra Pupil Premium funding and reviewed expenditure on children with special educational needs.

Staffing decisions

Staffing decisions are benchmarked with other secondary schools in Buckinghamshire and with the national benchmarking figures published in School Performance Tables. Once a year data is collected on a range of spending issues from Headteacher salaries, non-contact time for teachers, pay ranges for teachers and support staff, etc. These figures are looked at regularly and every staffing decision is made with these in mind. We aim to be close to the average cost incurred by schools in Buckinghamshire. In 2017/18 the pupil to teacher ratio at Sir Henry Floyd Grammar School was the highest of all Buckinghamshire grammar schools.

By way of contrast the 2017/18 pupil to teacher ratio at Princes Risborough School was the lowest of all Buckinghamshire mainstream secondary schools. Throughout the year the curriculum and staffing structure were redesigned. As a consequence of this process five full time teaching posts were removed from the staffing structure (by natural wastage). In the year 2019/20 the pupil to teacher ratio will be close to the average for Buckinghamshire secondary schools. Benchmarking comparisons suggest that support staff restructuring will be needed in the future to ensure value for money in this area.

Princes Risborough School has spent large amounts of money on agency staffing as a result of difficulties in recruitment. Refreshed recruitment strategies are helping to reduce expenditure and improve value for money.

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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

Contracts

All contracts have been reviewed to ensure that they provide good value for money and are fit for purpose. Service Level Agreements are in place, for example, for: cleaning, catering, grounds maintenance, Health and Safety advice.

The selection process to inform admissions decisions at Sir Henry Floyd Grammar School is run on behalf of Buckinghamshire grammar schools by a contractor who was appointed as a result of a competitive tendering exercise.

Trust expansion

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

The purpose of the system of internal control

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

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which IAT 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 IAT's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Buckinghamshire County Council as internal auditor. This has been in place from 2019 having previously been undertaken by the external auditors.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. In particular, the checks carried out in the current period included a review of the financial arrangements at Princes Risborough School.

On a termly basis, the internal auditor reports to the Board of Trustees through the Finance & Audit Committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

The 2019 internal audit review highlighted a number of issues which will be addressed.

Review of effectiveness


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

- the work of the internal auditor
- the work of the external auditors
- the financial management and governance self-assessment process
- the work of the executive managers within IAT

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance & Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 18 December 2019 and signed on their behalf by:


G Bull
Chair of Trustees


S Box
Accounting Officer

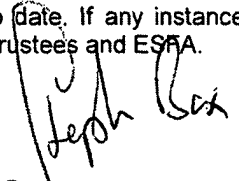
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of IAT I have considered my responsibility to notify IAT's 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, under the funding agreement in place between the academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

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

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


S Box
Accounting Officer
Date: 18 December 2019

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

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

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the group and the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and 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 their conduct and operation the group and the charitable company apply financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees on 18 December 2019 and signed on its behalf by:



G Bull
Chair of Trustees


S Box
Accounting Officer

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

Opinion

We have audited the financial statements of Insignis Academy Trust (IAT) (the 'parent academy') and its subsidiaries (the 'group') for the year ended 31 August 2019 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Academy balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

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

- the parent academy has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent academy 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.

INSIGNIS ACADEMY TRUST
(A company limited by guarantee)

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

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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



FOR LANDAU BAKER LIMITED

Carly Pinkus (Senior statutory auditor)

for and on behalf of

Landau Baker Limited

Chartered Accountants
Statutory Auditors

Mountcliff House
154 Brent Street
London
NW4 2DR

18 December 2019

INSIGNIS ACADEMY TRUST
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 31 October 2011 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Insignis Academy Trust during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The Accounting Officer is responsible, under the requirements of Insignis Academy Trust's funding agreement with the Secretary of State for Education dated 01 July 2011 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

INSIGNIS ACADEMY TRUST
(A company limited by guarantee)

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Landau Baker Limited

Reporting Accountant

Landau Baker Limited

Chartered Accountants
Statutory Advisors

Mountcliff House
154 Brent Street
London
NW4 2DR

Date: 18 December 2019

INSIGNIS ACADEMY TRUST
(A company limited by guarantee)

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

	Note	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:					
Donations and capital grants	3	(2,740,839)	16,749,384	14,008,545	80,007
Charitable activities		11,309,870	-	11,309,870	5,423,728
Other trading activities		1,190,387	-	1,190,387	624,169
Investments and bank interest	6	1,110	-	1,110	460
Total income		9,760,528	16,749,384	26,509,912	6,128,364
Expenditure on:					
Charitable activities	8	12,644,544	849,203	13,493,747	6,664,002
Total expenditure		12,644,544	849,203	13,493,747	6,664,002
Net (expenditure)/income		(2,884,016)	15,900,181	13,016,165	(535,638)
Transfers between funds	20	(241,803)	241,803	-	-
Net movement in funds before other recognised gains/(losses)		(3,125,819)	16,141,984	13,016,165	(535,638)
Other recognised gains/(losses):					
Actuarial losses on defined benefit pension schemes	26	(753,000)	-	(753,000)	378,000
Net movement in funds		(3,878,819)	16,141,984	12,263,165	(157,638)
Reconciliation of funds:					
Total funds brought forward		(1,510,581)	15,938,944	14,428,363	14,586,001
Net movement in funds		(3,878,819)	16,141,984	12,263,165	(157,638)
Total funds carried forward		(5,389,400)	32,080,928	26,691,528	14,428,363

INSIGNIS ACADEMY TRUST
(A company limited by guarantee)

CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2019

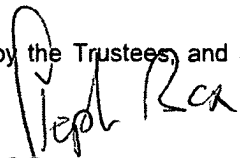
		2019 £	2018 £
Fixed assets			
Tangible assets	15	32,080,928	15,938,944
		<u>32,080,928</u>	<u>15,938,944</u>
Current assets			
Debtors	16	1,023,174	308,718
Cash at bank and in hand		965,901	803,204
		<u>1,989,075</u>	<u>1,111,922</u>
Creditors: amounts falling due within one year	17	(1,601,907)	(703,510)
Net current assets		<u>387,168</u>	<u>408,412</u>
Total assets less current liabilities		<u>32,468,096</u>	<u>16,347,356</u>
Creditors: amounts falling due after more than one year	18	(130,568)	(191,993)
Net assets excluding pension liability		<u>32,337,528</u>	<u>16,155,363</u>
Defined benefit pension scheme liability	26	(5,646,000)	(1,727,000)
Total net assets		<u><u>26,691,528</u></u>	<u><u>14,428,363</u></u>
Funds of the academy			
Restricted funds:			
Fixed asset funds	20	32,080,928	15,938,944
Restricted income funds	20	256,600	216,419
		<u>32,337,528</u>	<u>16,155,363</u>
Restricted funds excluding pension asset	20	32,337,528	16,155,363
Pension reserve	20	(5,646,000)	(1,727,000)
Total restricted funds	20	<u>26,691,528</u>	<u>14,428,363</u>
Unrestricted income funds	20	-	-
Total funds		<u><u>26,691,528</u></u>	<u><u>14,428,363</u></u>

INSIGNIS ACADEMY TRUST
(A company limited by guarantee)

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2019

The financial statements on pages 21 to 56 were approved by the Trustees, and authorised for issue on 18 December 2019 and are signed on their behalf, by:


G Bull
Chair of Trustees


S Box
Accounting Officer

The notes on pages 27 to 56 form part of these financial statements.

INSIGNIS ACADEMY TRUST
(A company limited by guarantee)

ACADEMY STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2019

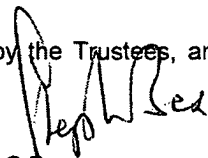
		2019 £	2018 £
Fixed assets			
Tangible assets	15	32,080,928	15,938,944
		<u>32,080,928</u>	<u>15,938,944</u>
Current assets			
Debtors	16	987,774	308,718
Cash at bank and in hand		962,076	803,204
		<u>1,949,850</u>	<u>1,111,922</u>
Creditors: amounts falling due within one year	17	(1,562,682)	(703,510)
Net current assets		<u>387,168</u>	<u>408,412</u>
Total assets less current liabilities		<u>32,468,096</u>	<u>16,347,356</u>
Creditors: amounts falling due after more than one year	18	(130,568)	(191,993)
Net assets excluding pension liability		<u>32,337,528</u>	<u>16,155,363</u>
Defined benefit pension scheme liability	26	(5,646,000)	(1,727,000)
Total net assets		<u><u>26,691,528</u></u>	<u><u>14,428,363</u></u>
Funds of the academy			
Restricted funds:			
Fixed asset funds	20	32,080,928	15,938,944
Restricted income funds	20	256,600	216,419
Restricted funds excluding pension liability	20	<u>32,337,528</u>	<u>16,155,363</u>
Pension reserve	20	(5,646,000)	(1,727,000)
Total restricted funds	20	<u>26,691,528</u>	<u>14,428,363</u>
Unrestricted income funds	20	-	-
Total funds		<u><u>26,691,528</u></u>	<u><u>14,428,363</u></u>

INSIGNIS ACADEMY TRUST
(A company limited by guarantee)

ACADEMY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 AUGUST 2019

The financial statements on pages 21 to 56 were approved by the Trustees, and authorised for issue on 18 December 2019 and are signed on their behalf, by:


G Bull
Chair of Trustees


S Box
Accounting Officer

The notes on pages 27 to 56 form part of these financial statements.

INSIGNIS ACADEMY TRUST
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by operating activities	22	383,159	138,064
Cash flows from investing activities	24	(259,036)	(49,781)
Cash flows from financing activities	23	38,574	(61,426)
Change in cash and cash equivalents in the year		162,697	26,857
Cash and cash equivalents at the beginning of the year		803,204	776,347
Cash and cash equivalents at the end of the year	25	<u>965,901</u>	<u>803,204</u>

The notes on pages 27 to 56 form part of these financial statements

INSIGNIS ACADEMY TRUST
(A company limited by guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of IAT, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

The Consolidated statement of financial activities (SOFA) and Balance sheet consolidate the financial statements of the academy and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

IAT has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

1.2 Going concern

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

- **Legacies**

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the academy trust has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the academy trust, can be reliably measured.

- **Grants**

Grants are included in the Consolidated 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

INSIGNIS ACADEMY TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.3 Income (continued)

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 Consolidated statement of financial activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

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

- **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.

- **Transfer of existing academies into the academy trust**

Where assets and liabilities are received on the transfer of an existing academy into the academy trust, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risks and rewards of ownership pass to IAT. An equal amount of income is recognised for the transfer of an existing academy into IAT within 'Income from Donations and Capital Grants' to the net assets acquired.

1.4 Expenditure

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Consolidated statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the Consolidated statement of financial activities as the related expenditure is incurred.

INSIGNIS ACADEMY TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.6 Interest receivable

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

1.7 Tangible fixed assets

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

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

Depreciation is provided on all tangible fixed assets other than freehold land and assets, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Long Term Leasehold Property	- 5 to 50 years
Furniture and fixtures	- 5 years
Computer equipment	- 5 years
Motor vehicles	- 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 Consolidated statement of financial activities.

1.8 Investments

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

1.9 Debtors

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

INSIGNIS ACADEMY TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.10 Cash at bank and in hand

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

1.11 Liabilities

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

1.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

1.13 Operating leases

Rentals paid under operating leases are charged to the Consolidated statement of financial activities on a straight line basis over the lease term.

1.14 Pensions

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

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the group 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

INSIGNIS ACADEMY TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.14 Pensions (continued)

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 Consolidated statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.15 Transfer from a single academy trust to a multi academy trust

The transfer from a single academy trust to a multi-academy trust involved the transfer of identifiable assets and liabilities and the operation of the academy 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 transfer from Princes Risborough School to IAT 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 Income from Donations and Capital Grants in the Consolidated statement of financial activities and analysed under restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note .

1.16 Fund accounting

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

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

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

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

INSIGNIS ACADEMY TRUST
(A company limited by guarantee)

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

IAT 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 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3. Income from donations and capital grants

	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	174,019	174,019	-
Capital grants	928,392	928,392	80,007
Transfer from Princes Risborough School	11,806,134	11,806,134	-
Assets gifted by Buckinghamshire County Council	1,100,000	1,100,000	-
	<u>14,008,545</u>	<u>14,008,545</u>	<u>80,007</u>

The significant increase shown in Note 3 relates to three successful Condition Improvement Funding bids in 2018/19 for the fire systems and fire safety at both schools and the electrical infrastructure at Sir Henry Floyd Grammar School. The Trust was also successful in being awarded a grant from the Wolfson Trust relating to science laboratory and preparatory room refurbishments at Sir Henry Floyd Grammar School. The assets gifted by Buckinghamshire County Council relate to the project they funded and managed at Sir Henry Floyd Grammar School which expanded the dining facility, a dance studio and science prep rooms. The transfer relates to the net assets of Princes Risborough School transferring into IAT on 1 September 2018.

INSIGNIS ACADEMY TRUST
(A company limited by guarantee)

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

4. Funding for IAT's educational operations

	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA grants			
General Annual Grant (GAG)	10,322,839	10,322,839	5,247,379
Other DfE/ESFA Grants	389,353	389,353	83,694
	<u>10,712,192</u>	<u>10,712,192</u>	<u>5,331,073</u>
Other government grants			
Local authority grants	347,073	347,073	47,879
Other government grants	121,347	121,347	43,380
	<u>468,420</u>	<u>468,420</u>	<u>91,259</u>
Other funding			
Other income	129,258	129,258	1,396
	<u>129,258</u>	<u>129,258</u>	<u>1,396</u>
	<u><u>11,309,870</u></u>	<u><u>11,309,870</u></u>	<u><u>5,423,728</u></u>

The apparent significant increase in income and spend in most notes below relates to the accounts now including both Princes Risborough School and Sir Henry Floyd Grammar School whereas comparators from 2017/18 were just Sir Henry Floyd Grammar School. Princes Risborough School standalone comparators are available from their published accounts for 2017/18. The two schools are very similar in many ways. Some differences at Princes Risborough School include a trading subsidiary called "Princes Risborough School Enterprises" which provides an in-house catering service to the school and local primary schools. Princes Risborough also outsourced management of most lettings to a third party, whereas this is managed in-house at Sir Henry Floyd Grammar School.

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5. Income from other trading activities

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Lettings Income	-	69,668	69,668	38,500
Catering Income	-	296,333	296,333	-
Trip Income	-	773,475	773,475	522,908
Other Income	-	50,911	50,911	62,761
	<u>-</u>	<u>1,190,387</u>	<u>1,190,387</u>	<u>624,169</u>
<i>Total 2018</i>	<u>(243)</u>	<u>624,412</u>	<u>624,169</u>	

6. Investment income

	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest	<u>1,110</u>	<u>1,110</u>	<u>460</u>

IAT moved part of its banking during the year to MetroBank PLC to secure better value for money and service quality. At the time of the accounts IAT still had legacy bank accounts with Lloyds PLC for both schools. IAT does not invest income, however through MetroBank PLC it achieves a greater return on savings deposits which more than offset any banking charges incurred. Funds are managed between short and long term savings to maximise interest earned whilst balancing cash liquidity for normal business requirements.

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7. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
Educational Operations:					
Direct costs	7,445,759	-	1,636,520	9,082,279	4,618,084
Allocated support costs	2,198,302	736,800	1,476,366	4,411,468	2,045,918
	<u>9,644,061</u>	<u>736,800</u>	<u>3,112,886</u>	<u>13,493,747</u>	<u>6,664,002</u>
<i>Total 2018</i>	<u>4,544,236</u>	<u>661,162</u>	<u>1,458,604</u>	<u>6,664,002</u>	

8. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Educational Operations	13,383,747	13,383,747	6,617,002
Pension cost	110,000	110,000	47,000
	<u>13,493,747</u>	<u>13,493,747</u>	<u>6,664,002</u>

9. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Educational Operations	9,082,279	4,411,468	13,493,747	6,664,002
<i>Total 2018</i>	<u>4,618,084</u>	<u>2,045,918</u>	<u>6,664,002</u>	

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

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Educational Operations 2019 £	Total funds 2019 £	Total funds 2018 £
Staff Costs	7,120,950	7,120,950	3,481,302
Educational Supplies	243,783	243,783	130,044
Staff Development	48,348	48,348	36,512
Examination Fees	226,859	226,859	143,988
Other Direct Costs	172,219	172,219	92,349
Trips and Activities Fund Expenditure	603,763	603,763	527,411
Recruitment and Support	120,286	120,286	34,603
Teaching Supply Costs	324,809	324,809	82,339
Educational Consultancy	221,262	221,262	89,536
	<u>9,082,279</u>	<u>9,082,279</u>	<u>4,618,084</u>

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9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational Operations 2019 £	Total funds 2019 £	Total funds 2018 £
Pension Finance Cost	110,000	110,000	47,000
Staff Costs	2,156,559	2,156,559	979,969
Depreciation	849,203	849,203	494,341
Energy	169,495	169,495	85,762
Maintenance of Premises and Equipment	184,083	184,083	80,051
Cleaning	256,266	256,266	148,725
Rent and Rates	77,811	77,811	37,444
Security & Transport	51,900	51,900	10,366
Catering	1,691	1,691	-
Insurance	51,939	51,939	28,733
Other Support Costs	338,663	338,663	49,975
Support Staff Supply Costs	41,743	41,743	626
Governance Costs	12,309	12,309	11,900
Other Staff Costs	36,550	36,550	3,481
Technology Costs	73,256	73,256	67,545
	4,411,468	4,411,468	2,045,918

The other support costs includes the cost of providing traded catering services at Princes Risborough School.

10. Net (expenditure)/income

Net (expenditure)/income for the year includes:

	2019 £	2018 £
Depreciation of tangible fixed assets	305,698	494,341
Fees paid to auditors for:		
- audit	8,000	4,000
- other services	3,315	7,875

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11. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	Group 2019 £	Group 2018 £	academy 2019 £	academy 2018 £
Wages and salaries	7,004,007	3,390,162	7,004,007	3,390,162
Social security costs	656,690	316,804	656,690	316,804
Pension costs	1,616,812	754,305	1,616,812	754,305
Pension costs	9,277,509	4,461,271	9,277,509	4,461,271
Teaching supply costs	324,809	82,339	-	-
Support staff supply costs	41,743	626	-	-
	9,644,061	4,544,236	9,277,509	4,461,271

b. Staff numbers

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

	Group 2019 No.	Group 2018 No.
Senior Management	15	5
Teachers	112	69
Support Staff	99	34
	226	108

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11. Staff costs (continued)

c. Higher paid staff

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

	Group 2019 No.	Group 2018 No.
In the band £60,001 - £70,000	6	2
In the band £70,001 - £80,000	1	-
In the band £80,001 - £90,000	1	-
In the band £90,001 - £100,000	-	1
	<u> </u>	<u> </u>

d. Key management personnel

The key management personnel of IAT comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for the services to IAT was £163,788 (2018: £634,598).

12. Central services

A central support services team covering ICT, Finance, HR and Facilities was created, building on the legacy staff employed by the respective schools in these areas. The cost of providing this was recharged to the schools on the basis of pupil numbers from the prior year's census. The costs broadly matched the costs from the legacy schools. There was no central top slice of funds. Other central costs were similarly recharged to the relevant school on a fair basis, broadly reflecting the costs that would have been borne by the legacy schools before. In some cases both schools have gained efficiency savings through a sharing of costs which is less than the sum of legacy amounts paid.

13. Related Party Transactions- Trustees' remuneration and expenses

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

		2019 £	2018 £
S Box, Chief Executive Officer	Remuneration	60,000 - 65,000	95,000 - 100,000
	Pension contributions paid	10,000 - 15,000	15,000 - 20,000

During the year ended 31 August 2019, no Trustee expenses have been incurred (2018 - £NIL).

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14. Trustees' and Officers' insurance

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

15. Tangible fixed assets

Group

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2018	18,322,378	636,271	262,138	-	19,220,787
Additions	16,659,734	206,056	108,402	16,995	16,991,187
At 31 August 2019	34,982,112	842,327	370,540	16,995	36,211,974
Depreciation					
At 1 September 2018	2,543,199	525,715	212,929	-	3,281,843
Charge for the year	752,082	49,434	45,421	2,266	849,203
At 31 August 2019	3,295,281	575,149	258,350	2,266	4,131,046
Net book value					
At 31 August 2019	31,686,831	267,178	112,190	14,729	32,080,928
At 31 August 2018	15,779,179	110,556	49,209	-	15,938,944

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15. Tangible fixed assets (continued)

Academy

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2018	18,322,378	636,271	262,138	-	19,220,787
Additions	16,659,734	206,056	108,402	16,995	16,991,187
At 31 August 2019	34,982,112	842,327	370,540	16,995	36,211,974
Depreciation					
At 1 September 2018	2,543,199	525,715	212,929	-	3,281,843
Charge for the year	752,082	49,434	45,421	2,266	849,203
At 31 August 2019	3,295,281	575,149	258,350	2,266	4,131,046
Net book value					
At 31 August 2019	31,686,831	267,178	112,190	14,729	32,080,928
At 31 August 2018	15,779,179	110,556	49,209	-	15,938,944

16. Debtors

	Group 2019 £	Group 2018 £	academy 2019 £	academy 2018 £
Due within one year				
Trade debtors	166,041	13,885	142,078	13,885
Other debtors	373,393	105,435	373,394	105,435
Prepayments and accrued income	483,740	189,398	472,302	189,398
	1,023,174	308,718	987,774	308,718

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17. Creditors: Amounts falling due within one year

	Group 2019 £	Group 2018 £	academy 2019 £	academy 2018 £
Other loans	161,425	61,424	161,425	61,424
Trade creditors	246,601	107,738	246,601	107,738
Other taxation and social security	333,318	81,676	320,243	81,676
Other creditors	23,961	74,510	7,389	74,510
Accruals and deferred income	836,602	378,162	827,024	378,162
	<u>1,601,907</u>	<u>703,510</u>	<u>1,562,682</u>	<u>703,510</u>
			Group 2019 £	Group 2018 £
Deferred income at 1 September 2018			340,876	309,723
Resources deferred during the year			345,151	340,876
Amounts released from previous periods			(340,876)	(309,723)
			<u>345,151</u>	<u>340,876</u>

At the balance sheet date the Trust was holding funds received in advance for ESFA 16-19 bursary grant of £22,318 (2018: £2,111) and trips and activities income of £110,119 (2018: £44,606), ESFA sponsorship grant of £232,819 (2018: £232,819) and ESFA School improvement grants of £61,340 (2018: £61,340).

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

	Group 2019 £	Group 2018 £	academy 2019 £	academy 2018 £
Other loans	130,568	191,993	130,568	191,993

At 31 August 2019, the balance owed to Salix Finance (in partnership with the Education & Skills Funding Agency) was £105,180 (2018: £135,010), of which £75,347 (2018: £105,174) is due after more than one year from the balance sheet date. The loan balance funded capital works undertaken and is repayable in biannual instalments, which will be deducted from IAT's GAG funding.

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19. Financial instruments

	Group 2019 £	Group 2018 £	academy 2019 £	academy 2018 £
Financial assets				
Financial assets measured at fair value through income and expenditure	965,901	803,204	962,075	803,204
Financial assets that are debt instruments measured at amortised cost	518,313	107,364	494,351	107,364
	<u>1,484,214</u>	<u>910,568</u>	<u>1,456,426</u>	<u>910,568</u>
	Group 2019 £	Group 2018 £	academy 2019 £	academy 2018 £
Financial liabilities				
Financial liabilities measured at amortised cost	<u>(929,963)</u>	<u>(401,144)</u>	<u>(903,813)</u>	<u>(401,144)</u>

Financial assets measured at fair value through income and expenditure comprise bank and cash balances.

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, accrued income and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, accruals and other creditors.

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20. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Restricted general funds						
GAG	216,419	10,322,839	(10,040,855)	(241,803)	-	256,600
Pupil premium	-	191,892	(191,892)	-	-	-
Other DfE/ESFA grants	-	197,461	(197,461)	-	-	-
SEN funding	-	74,012	(74,012)	-	-	-
Other LA and government funding	-	409,278	(409,278)	-	-	-
General funds	-	1,207,046	(1,207,046)	-	-	-
Pension reserve	(1,727,000)	(2,642,000)	(524,000)	-	(753,000)	(5,646,000)
	<u>(1,510,581)</u>	<u>9,760,528</u>	<u>(12,644,544)</u>	<u>(241,803)</u>	<u>(753,000)</u>	<u>(5,389,400)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds- all funds	15,938,944	-	(849,203)	241,803	-	15,331,544
Transfer from single academy trust	-	14,646,973	-	-	-	14,646,973
Assets gifted by Buckinghamshir e County Council	-	1,100,000	-	-	-	1,100,000
Devolved formula capital	-	93,273	-	-	-	93,273
Condition Improvement Fund	-	835,119	-	-	-	835,119
Donated funds	-	74,019	-	-	-	74,019
	<u>15,938,944</u>	<u>16,749,384</u>	<u>(849,203)</u>	<u>241,803</u>	<u>-</u>	<u>32,080,928</u>
Total Restricted funds	<u>14,428,363</u>	<u>26,509,912</u>	<u>(13,493,747)</u>	<u>-</u>	<u>(753,000)</u>	<u>26,691,528</u>

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

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

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20. Statement of funds (continued)

Restricted general funds are resources for educational purposes.

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

The Princes Risborough School is carrying a net deficit of £229,565 on restricted general funds (excluding pension reserve) plus unrestricted funds. The financial review in the Trustees' Report provides the reasons for this and the steps that that IAT is taking to return this net deficit to surplus.

Total funds analysis by school

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
Sir Henry Floyd Grammar School	486,165	216,419
Princes Risborough School	(229,565)	-
Total before fixed asset funds and pension reserve	256,600	216,419
Restricted fixed asset fund	32,080,928	15,938,944
Pension reserve	(5,646,000)	(1,727,000)
Total	26,691,528	14,428,363

The following school is carrying a net deficit on its portion of the funds as follows:

	Deficit £
Princes Risborough School	(229,565)

Insignis Academy Trust took Princes Risborough School in knowing it had a significant deficit and that a medium term recovery plan would be needed to get back to surplus. The surplus at Sir Henry Floyd Grammar School more than offsets the deficit overall. 2018/19 was a year of transition and for changes to begin. A new permanent headteacher at Princes Risborough School was appointed on 1st September 2019.

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20. Statement of funds (continued)

Total cost analysis by school

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £	Total 2018 £
Sir Henry Floyd Grammar School	3,684,453	1,184,238	392,219	1,243,675	6,504,585	6,169,661
Princes Risborough School	3,762,154	1,014,064	299,685	1,064,056	6,139,959	-
IAT Total	7,446,607	2,198,302	691,904	2,307,731	12,644,544	6,169,661

The 2017/18 comparators below exclude Princes Risborough School which did not join IAT until 1st September 2018.

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20. Statement of funds (continued)

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

	<i>Balance at 1 September 2017 £</i>	<i>As restated Income £</i>	<i>As restated Expenditure £</i>	<i>As restated Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2018 £</i>
Restricted general funds						
GAG	166,517	5,247,379	(5,155,683)	(41,794)	-	216,419
Pupil premium	-	51,300	(51,300)	-	-	-
Other DfE/ESFA grants	-	32,394	(32,394)	-	-	-
SEN funding	-	47,879	(47,879)	-	-	-
Other LA and government funding	-	43,380	(43,380)	-	-	-
General funds	-	103,117	(103,117)	-	-	-
Pension reserve	(1,892,000)	-	(213,000)	-	378,000	(1,727,000)
	<u>(1,725,483)</u>	<u>5,525,449</u>	<u>(5,646,753)</u>	<u>(41,794)</u>	<u>378,000</u>	<u>(1,510,581)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds - all funds	16,311,484	80,007	(494,341)	41,794	-	15,938,944
Total Restricted funds	<u>14,586,001</u>	<u>5,605,456</u>	<u>(6,141,094)</u>	<u>-</u>	<u>378,000</u>	<u>14,428,363</u>

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21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	32,080,928	32,080,928
Current assets	1,989,075	-	1,989,075
Creditors due within one year	(1,601,907)	-	(1,601,907)
Creditors due in more than one year	(130,568)	-	(130,568)
Provisions for liabilities and charges	(5,646,000)	-	(5,646,000)
Total	<u>(5,389,400)</u>	<u>32,080,928</u>	<u>26,691,528</u>

Analysis of net assets between funds - prior year

	<i>Restricted funds (Restated) 2018 £</i>	<i>Restricted fixed asset funds 2018 £</i>	<i>Total funds 2018 £</i>
Tangible fixed assets	-	15,938,944	15,938,944
Current assets	1,111,922	-	1,111,922
Creditors due within one year	(703,510)	-	(703,510)
Creditors due in more than one year	(191,993)	-	(191,993)
Provisions for liabilities and charges	(1,727,000)	-	(1,727,000)
Total	<u>(1,510,581)</u>	<u>15,938,944</u>	<u>14,428,363</u>

The 2017/18 comparators exclude Princes Risborough School which did not join IAT until 1 September 2018.

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22. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2019 £	2018 £
Net income/(expenditure) for the year (as per Statement of financial activities)	13,016,165	(535,638)
Adjustments for:		
Depreciation	849,203	494,341
Capital grants from DfE and other capital income	(928,392)	(80,007)
Defined benefit pension scheme obligation inherited	2,642,000	-
Defined benefit pension scheme cost less contributions payable	414,000	166,000
Defined benefit pension scheme finance cost	110,000	47,000
Increase in debtors	(689,637)	(127,315)
Increase in creditors	768,751	173,683
Assets gifted from Buckinghamshire Country Council	(1,100,000)	-
Assets transferred to multi-academy trust	(14,698,931)	-
Net cash provided by operating activities	383,159	138,064

23. Cash flows from financing activities

	Group 2019 £	Group 2018 £
Cash inflows from new borrowing	100,000	-
Repayments of borrowing	(61,426)	(61,426)
Net cash provided by/(used in) financing activities	38,574	(61,426)

24. Cash flows from investing activities

	Group 2019 £	Group 2018 £
Purchase of tangible fixed assets	(1,187,428)	(129,788)
Capital grants from DfE Group	928,392	80,007
Net cash used in investing activities	(259,036)	(49,781)

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25. Analysis of cash and cash equivalents

	Group 2019 £	Group 2018 £
Cash in hand	965,901	803,204
Total cash and cash equivalents	965,901	803,204

26. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 August 2019.

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

Teachers' Pension Scheme

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

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26. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.08%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

A copy of the latest valuation report can be found by following this link to the Teachers' Pension Scheme website- <https://www.teacherspensions.co.uk/public/login.aspx>.

Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £533,000 (2018 - £228,000), of which employer's contributions totalled £419,000 (2018 - £179,000) and employees' contributions totalled £ 114,000 (2018 - £49,000). The LGPS contribution for employers currently is 22.8% and the contribution rate for employees varies with pay levels. An actuarial review of the employer contribution rates is expected in late 2019 which would come into effect from April 2020.

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.

Principal actuarial assumptions

	2019	2018
	%	%
Rate of increase in salaries	3.70	3.80
Rate of increase for pensions in payment/inflation	2.20	2.30
Discount rate for scheme liabilities	1.80	2.65

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26. Pension commitments (continued)

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

	2019 Years	2018 Years
<i>Retiring today</i>		
Males	22.9	24.0
Females	24.8	26.1
<i>Retiring in 20 years</i>		
Males	24.6	26.3
Females	26.7	28.5

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

	At 31 August 2019 £	At 31 August 2018 £
Equities	3,200,000	1,027,000
Gilts	701,000	231,000
Corporate bonds	847,000	240,000
Property	406,000	143,000
Cash and other liquid assets	191,000	117,000
Other	613,000	199,000
Total market value of assets	5,958,000	1,957,000

The actual return on scheme assets was £457,000 (2018 - £61,000).

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

	2019 £	2018 £
Current service cost	(724,000)	(343,000)
Past service cost	(104,000)	-
Interest income	140,000	48,000
Interest cost	(250,000)	(95,000)
Administrative expenses	(2,000)	(2,000)
Total amount recognised in the Consolidated statement of financial activities	(940,000)	(392,000)

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26. Pension commitments (continued)

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

	2019 £	2018 £
At 1 September	3,684,000	3,687,000
Transfer of academy trusts	5,704,000	-
Current service cost	724,000	343,000
Interest cost	250,000	95,000
Employee contributions	114,000	49,000
Actuarial losses/(gains)	1,070,000	(365,000)
Benefits paid	(46,000)	(125,000)
Past service costs	104,000	-
At 31 August	11,604,000	3,684,000

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

	2019 £	2018 £
At 1 September	1,957,000	1,795,000
Transfer of academy trusts	3,062,000	-
Interest income	140,000	48,000
Actuarial gains	317,000	13,000
Employer contributions	419,000	179,000
Employee contributions	114,000	49,000
Benefits paid	(46,000)	(125,000)
Administrative expenses	(5,000)	(2,000)
At 31 August	5,958,000	1,957,000

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27. Operating lease commitments

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

	2019 £	2018 £
Not later than 1 year	29,518	14,771
Later than 1 year and not later than 5 years	70,922	39,038
	<u>100,440</u>	<u>53,809</u>

28. Members' liability

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

29. Related party transactions

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

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 12.

30. Agency arrangements

IAT distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ended 31 August 2019 IAT received £29,139 (2018: 15,763) and disbursed £22,318 (2018: 17,693) from the fund. An amount of £14,699 (£2018: 2,111) is included in creditors relating to undistributed funds that are repayable to the ESFA if not used in the following year.

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31. Principal Subsidiaries

	2019 £	2018 £
Princes Risborough School Enterprises Limited		
Total assets as at 31 August 2019	34,397	63,950
Total liabilities as at 31 August 2019	(34,397)	(61,643)
Total equity as at 31 August 2019	-	2,307
Turnover for the period ended 31 August 2019	454,147	600,477
Expenditure for the period ended 31 August 2019	(454,147)	(598,171)
Profit for the period ended 31 August 2019	-	2,306

32. Transfer of existing academies into the academy

On 1 September 2018 Princes Risborough School, a single academy trust, joined IAT and all the operations and assets and liabilities were transferred to Insignis Academy Trust from Insignis Academy for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Consolidated balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Consolidated statement of financial activities as Income from Donations and Capital Grants.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Consolidated statement of financial activities.

Transferred-in Princes Risborough School

	Value reported by transferring trust £	Transfer in recognised £
Tangible fixed assets		
Long-term leasehold property	14,564,906	14,564,906
Other tangible assets	82,067	82,067
Current assets		
Debtors due within one year	244,111	244,111
Cash at bank and in hand	35,112	35,112
Liabilities		
Creditors due within one year	(412,863)	(412,863)
Creditors due after one year	(100,000)	(100,000)
Pensions		
LGPS Pension Liability	(2,642,000)	(2,642,000)
Net assets	11,771,333	11,771,333

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32. Transfer of existing academies into the academy (continued)