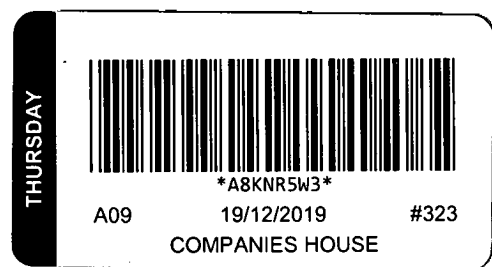


Inspire Learning Partnership
(A Company Limited by Guarantee)
Annual Report and Financial Statements
Year ended 31 August 2019

Company Registration Number:
09202445 (England and Wales)



Inspire Learning Partnership

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Inspire Learning Partnership

Reference and Administrative Details

Members:

F Aubrey-Smith
L Clark
A Drummond
M Treagus
T Sunderland

Trustees:

L Clark
J Crandon
K Godsall
L Hayes (appointed 1 July 2019)
C Lowe
T Sunderland
J Wright

Senior Management Team:

Claire Lowe	Executive Principal/CEO
Mandy Hooper	Associate Principal
Samantha Galloway	Director of Finance and Resources (to 1 September 2019)
Sophie Groves	Director of Finance (from 1 October 2019)

Blackfield Primary School

Tariq Sasso	Principal
Alice Sanderman	Assistant Principal
Sherri Langrish	Assistant Principal

Fawley Infant School

Claire Lowe	Executive Principal
Hayley Jakimavicius	Principal

Hightown Primary School

Sian Cook	Head Teacher
Zoe Doyle	Vice Principal

Kanes Hill Primary School

Lisa Marshall	Interim Principal (from September 2019)
Kirsten Buist	Head Teacher (to April 2019)
Katie O'Grady	Vice Principal
Suzanne Hicks	Assistant Principal
Sarah Ellis	Assistant Principal

Inspire Learning Partnership

Reference and Administrative Details

Company Name

Inspire Learning Partnership

Principal and Registered Office

Blackfield Primary School
Hampton Lane
Blackfield
Southampton
Hampshire
SO45 1XA

Company Registration Number

09202445 (England and Wales)

Independent Auditor

Hopper Williams & Bell Limited
Statutory Auditor
Highland House
Mayflower Close
Chandlers Ford
Eastleigh
Hampshire
SO53 4AR

Bankers

Lloyds Bank PLC
PO Box 1000
BS1 1LT

Solicitors

Veale Wasbrough Vizards LLP
Orchard Court
Orchard Lane
Bristol
BS1 5WS

Inspire Learning Partnership

Trustees' Report

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Trust operates one primary school, one infant school and one nursery school in the New Forest and a further two primary schools in Southampton which joined the Trust 01/05/2018. Its academies have a combined pupil capacity of 1,260 and had a roll of 1,158 in the school census on 3rd October 2019. The Nursery has a capacity for 32 pupils per session. It runs 10 sessions per week and is 75% full.

Structure, Governance and Management

Constitution

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

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

Members' Liability

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

Trustees' Indemnities

Under the ESFA's Risk Protection Arrangement, the Academy has insurance to protect Trustees, Academy Councillors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business.

Method of Recruitment and Appointment or Election of Trustees

The Board of Trustees draws representation from the Academy Councils of the organisations within the Trust. The Chair of Chairs serves as an Academy Trustee and is the link between the Academy Councils and the Board of Trustees. The Trustees have set up procedures that will enable regular reviews regarding the mix of skills that should be available to the Board. Where necessary, co-opted trustees will then be sought with these skills. It is anticipated that the great majority of co-opted trustees will be drawn from the local communities who have shown an interest in the future well-being of the Academy Trust and its pupils. Recruitment is, therefore, likely to be through a combination of approaches to individuals with known skills and by wider communications to those within the local areas.

New Trustees will be appointed to the Board by the Members and the existing Trustees until the date of the next Annual General Meeting, at which time they are eligible for re-election for a period of four years. At the end of a four year term retiring Trustees are eligible for re-election for a further term.

Inspire Learning Partnership

Trustees' Report

Policies and Procedures Adopted for the Induction and Training of Trustees

Individual Trustees have made use of the expertise of established multi academy trusts to increase their skills and knowledge, as well as attending courses organised by appropriate bodies in order to ensure their knowledge and understanding is fully up to date. The Trust also subscribes to the National Governors Association who provide a broad range of courses to support governance.

All newly appointed Trustees will be allocated a mentor along with undergoing a full induction covering: governance structure of Inspire Learning Partnership; staffing structures at all schools within the Trust; End of Key Stage Data for all schools within the Trust; Trustees' Code of Conduct; School Improvement Plans for each school within the Trust; dates of scheduled meetings for the academic year; published annual financial statements; latest set of management accounts for the Trust and contact details for all senior leaders within the Trust, Academy Councillors and Trustees.

Organisational Structure

The Trustees have responsibility for setting and monitoring the overall strategic direction of the Inspire Learning Partnership, and approving decisions reserved to Trustees as detailed in the Trust's scheme of delegation.

Key responsibilities include:

- Setting the values, aims and objectives of the Trust.
- Agreeing a policy framework for achieving the agreed aims and objectives.
- Appointing senior leaders of The Inspire Learning Partnership academies.
- Defining and delegating responsibilities to the Academy Councils.

The Trustees meet as a Board four times each year. All decisions reserved to the Trustees are taken by the Board as a whole. The Academy Councils meet four times each year to consider detailed matters about the individual academies, and, where appropriate, to make recommendations to the Board of Trustees.

The Board of Trustees operate with three sub-committees; Finance, Risk and Audit sub-committee; Education Performance and Standards sub-committee; both of which meet three times a year and Pay sub-committee which meets once per year.

There is currently one Academy Council in operation for each academy. Through the Scheme of Delegation detailed Terms of Reference for the Academy Councils have been agreed by The Inspire Learning Partnership Board of Trustees.

Inspire Learning Partnership

Trustees' Report

Organisational Structure (continued)

Their memberships are as follows:

Blackfield Primary School

Tina Daniel (Chair)
Stephen Hill
Becky Bolger
Tariq Sasso (Principal)
Jane Ashcroft
Mary Gill

Fawley Infant School

Deric Payne (Chair)
Tamsin Pearce
Cathleen Dowding
Claire Goodfellow
Hayley Jakimavicius (Principal)
Deborah Osman

Hightown Primary School

Stephen Donovan (Chair)
Duncan Jennings (Vice Chair)
Sian Cook
Gemma Donaldson
Paul Hornzee
Tamantha Turner
Shaun Terry

Kanes Hill Primary School

Lisa Hayes (Acting Chair)
Jim Henderson (Vice Chair)
Lisa Marshall
Toni Martin

Key responsibilities include:

Setting the strategic direction of the academies by:

- Ensuring the values, aims and objectives for the academies are aligned to those of Inspire Learning Partnership
- Implementing the policy framework for achieving the aims and objectives
- Setting statutory targets
- Agreeing the academy improvement plan

Challenging and supporting the academies by monitoring, reviewing and evaluating:

- The implementation and effectiveness of the policy framework
- Progress towards targets
- The implementation and effectiveness of the academy improvement plan

Ensuring accountability by:

- Monitoring the academy's self-evaluation documentation
- Responding to Ofsted reports when necessary
- Holding the Headteacher/Principal to account for the performance of the academy
- Ensuring parents and pupils are involved, consulted and informed as appropriate
- Making available information to the local community

Inspire Learning Partnership

Trustees' Report

Organisational Structure (continued)

The Executive Principal/CEO, Mrs C Lowe, is the Accounting Officer for Inspire Learning Partnership. She works closely with the Trustees of the Academy Trust and the Strategic Leadership Team.

The day to day management of each academy rests with the Headteacher/Principal who is appointed by the Trustees. He or she works with his/her Academy Council to establish a leadership team which has both the skills and capacity to drive the academy improvement agenda.

Arrangements for setting pay and remuneration of key management personnel

All key management personnel of the Trust and its academies are part of the Trust's performance management process. Targets are set at the beginning of the academic/financial year, reviewed mid-year with decisions taken regarding any possible increment taken at the end of the academic/financial year.

Recommendations for incremental pay increases for all staff excluding the Headteacher's/Principal's are presented to the Academy Council Pay sub-committee who moderate, amend if necessary, and then present to the Trustee's Pay sub-committee who ratify their recommendations.

The pay recommendation for Headteachers/Principals, Associate Principal and Director of Finance are made by the Executive Principal/CEO to the Trustees Pay sub-committee. The Trustees Pay sub-committee is also responsible for the Executive Principal's/CEO Performance Management and setting the ISR range for this post. The Trustees Pay sub-committee consists of two Trustees one of which is the Chair of Trustees.

Trade union facility time

The Academy Trust did not have any employees who were relevant union officials during the period, and no time was spent on facility time or paid trade union activities.

Related Parties and other Connected Charities and Organisations

Various shared SLAs exist across the local cluster of schools: Currently, the Trust jointly employs a MFL Teacher and a HR Manager with a special primary; we have improved the cost effectiveness of some of our services through shared SLAs e.g. with a special primary for a network manager and IT support. These partnership arrangements are reviewed regularly and each school is committed to future partnership working in order to secure best value provision.

Objectives and Activities

Objects and Aims

The charitable objectives for which Inspire Learning Partnership was established are set down in The Articles of Association, as follows: "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 (the academies) offering a broad and knowledge rich curriculum."

Inspire Learning Partnership

Trustees' Report

Objectives, Strategies and Activities

The principal activity of Inspire Learning Partnership is currently to run three primary schools and an infant school for boys and girls known as Blackfield Primary School, Hightown Primary School, Kaneshill Primary School and Fawley Infant School and a nursery school known as Blackfield Nursery.

Inspire Learning Partnership defines its mission and vision as follows:

Vision

To place irresistible learning at the heart of educational transformation and grow an outstanding family of schools across the South of England who share common values, expertise and innovation.

Mission

We strive to be at the forefront of educational development, recognised for outstanding practice and to relentlessly pursue excellence.

We are compelled by a strong moral purpose to support and develop all children and staff within our family of schools to ensure that they make rapid progress and achieve success.

We offer environments of the highest quality to empower learning and create endless possibilities in ways which meet the needs of all.

We provide an innovative and a self-created infrastructure to free teaching and learning, ensure rapid response to need and allow safety, flexibility and fluidity.

Public Benefit

The Trustees have taken the Charity Commission's specific guidance on public benefit (contained within the guidance document "The advancement of education for the public benefit") into consideration in preparing their statements on public benefit contained within this Trustees' annual report.

Benefits and beneficiaries

In accordance with its charitable objectives, Inspire Learning Partnership strives to advance the education of the pupils attending the academies that operate through the Trust. The Academy Trust's primary beneficiaries are, therefore, the pupils, and benefits to pupils are provided through continuing to maintain a high standard of education throughout all of the Trust's academies. Many of the schools within the Trust hire their facilities to local sports recreational clubs which are advertised in the local community.

Trustees' assessment of Public Benefit

In order to determine whether or not the Academy Trust has fulfilled its charitable objectives for public benefit, the Trustees gather evidence of the success of the Academy Trust's activities using the range of measures described below.

Inspire Learning Partnership

Trustees' Report

Strategic Report

Achievements, Performance, and Key Performance Indicators

	Fawley			Blackfield			Hightown			Kanes Hill			Trust	Trust	National		
	2017	2018	2019	2017	2018	2019	2017	2018	2019	2017	2018	2019	2018	2019	2017	2018	2019
% GLD	71	85	69	75	78	70	70	72	70	71	73	63	77	67.1	71	72	71.8
%Phonics Year 1	89	87	71	89	87	86	85	72	65	83	88	84	82	80	81	83	81.9
% Phonics Year 2 end	100	95	100	100	95	90	96	90	79	79	92	93	93	91	92	92	91.4
% KS1 ≥ Expected																	
Reading	70	83	60.9	78	77	68.3	73	63	63	75	77	74	75	68.9	76	75	74.9
Writing	57	71	60.9	76	70	68.4	50	43	63	70	65	62	63	64.6	68	70	69.2
Maths	70	79	73.9	82	77	73.3	73	73	63	73	75	75.1	76	72	75	76	75.6
Combined	48	71	56.5	74	68	60	50	43	54	67	65	60.3	61.8	59.1	64	65	64.9
% Greater Depth																	
Reading	13	21	22	24	19	18	23	7	13	25	22	28	17	21.3	25	26	25
Writing	4	13	4	18	9	12	0	0	4	12	14	2	9	6.1	16	16	14.8
Maths	9	21	22	38	23	5	27	0	13	25	24	17	17	13.4	21	22	21.7
Combined	4	8	4	16	9	5	0	0	0	12	12	2	7	3	11	12	11.2
% KS2 ≥ Expected																	
Combined				64.4%	58.5%	58%	57.1%	35.5%	71%	83%	71.4%	74.1%	55.1%	65.3	61	64	64.9
Reading				73.6%	60.6%	69.3%	57.1%	51.6%	75%	90.6%	85.7%	79.3%	73.5%	73.5	72	75	73.2
Writing				75.9%	80.9%	78.4%	78.6%	77.4%	75%	88.7%	82.1%	91.4%	80.1%	82.4	76	78	78.5
GPS				70.1%	63.8%	71.6%	28.6%	67.7%	79%	94.3%	85.7%	77.5%	72.4%	74.7	77	78	78
Maths				81.6%	86.2%	78.4%	71.4%	58.1%	83%	92.5%	83.9%	87.9%	76.1%	82.4	75	76	78.7
% Greater Depth																	
Combined				12.6%	7.4%	6%	0%	0%	17%	3.8%	5.4%	3.4%	4.2%	5	9	10	10.5
Reading				21.8%	21.3%	20.5%	7.1%	6.5%	21%	34%	28.6%	20.6%	18.8%	20.3	25	28	26.9
Writing				23%	24.5%	13.6%	14.3%	6.5%	8.3%	7.5%	8.9%	12.1%	13.3%	12.7	18	20	20.2
GPS				21.8%	19.1%	22.7%	7.1%	9.7%	21%	34%	30.4%	34.4%	19.7%	29.7	31	34	35.7
Maths				23%	12.8%	17%	0%	3.1%	33%	26.4%	17.9%	8.6%	11.3%	16.3	23	24	26.6

Inspire Learning Partnership Trustees' Report

Achievements, Performance, and Key Performance Indicators (continued)

	Fawley			Blackfield			Hightown			Kanes Hill			Trust	Trust	National		
	2017	2018	2019	2017	2018	2019	2017	2018	2019	2017	2018	2019	2018	2019	2017	2018	2019
Average Standardised Scores and Progress																	
Av.St.Score Reading				104	101.9	103.4	100.1	101.4	103.1	107.9	105.9	103.7	103.1	103.4	104	105	104.4
Av.St.Score GPS				103.7	102.9	104	99.4	102.8	106.6	108.2	106.6	105.7	104	105.1	106	106	106.3
Av.St.Score Maths				104.3	104.4	104.2	101.5	99.4	106.3	107.3	104.5	104.6	102.8	104.6	104	104	105.1
Progress Reading				-1.27	-1.88	-1.08	-0.38	-2.03	+0.44	1.22	1.09	-1.84	-0.94	-0.83	-0.01	0.02	-0.02
Progress Writing				-1.13	1.89	-0.36	3.91	0.55	-1.25	-0.74	-1.57	-0.69	0.29	-0.77	-0.01	0.02	-0.02
Progress Mathematics				-0.82	1.35	-0.87	0.6	-2.95	+2.78	0.86	0.33	-1.38	-0.4	-0.18	-0.01	0.02	-0.02

Inspire Learning Partnership

Trustees' Report

Going Concern

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

Financial Review

The financial position of the Academy Trust at the period ended 31st August 2019 is shown on page 27. The net movement in funds for the financial year ending 31 August 2019, excluding restricted pension and fixed asset funds, is a deficit of £49,152.

The vast majority of the Academy Trust's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31st August 2019 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

During the period ending 31st August 2019, total expenditure (excluding depreciation, including assets purchased out of GAG) was mainly covered by recurrent grant funding from the ESFA plus income from other sources.

The Trust's Director of Finance continues to ensure robust financial practice and procedures are in place, along with enhanced reporting on the Trust's financial position.

The period end balances on unrestricted and restricted general funds were £261,740 (Blackfield Primary School), £125,014 (Fawley Infant School), £(24,117) (Hightown Primary School), £63,449 (Kanes Hill Primary School), and £83,421 for central services. The total of unrestricted and restricted reserves, including the pension reserve is £6,521,000.

The deficit in the Local Government Pension Scheme (LGPS) of £2,593,000 is recognised on the balance sheet as per the requirements of FRS102. The LGPS employers' deficit recovery payment is set to rise by 8.8% year on year for the next two years along with an increase of 1% to the employers' contribution rate year on year for the next two years. These additional costs may need to be funded from the current reserves.

The Academy Trust has also continued to generate income via the deployment of key staff to support other schools in the area who have specific needs and requirements.

Additional funding has been raised at local level by academy led initiatives which includes hire of facilities.

Inspire Learning Partnership

Trustees' Report

Reserves Policy

The Board of Trustees aims to demonstrate prudence and good financial planning to cover the unexpected and unplanned in order to protect delivery of the academy's primary objectives. The Board may also set aside reserves for investment in future years (e.g. to improve or expand facilities).

To mitigate the risk of future income reduction and to create a fund, for example; for a building development, the Board will determine further reserves on an annual basis in the spring term. Reserves are determined with reference to the in-year financial performance of the Trust and an assessment of the key risks and future investment requirements.

The Trust's reserves policy is to ensure that, whilst maintaining a suitable level of working capital and contingency, resources are made readily available within the schools to enable all current and future pupils to access their learning despite any barriers (e.g. mental health, family break up, low levels on entry, limited speech and language etc.) and to attain the highest possible standards.

The Trust plans to maintain a contingency amount along with a working capital amount. This will remain at £80,000 contingency and £130,000 working capital for this financial year although this will be reviewed annually.

Investment Policy

The Academy Trust currently holds no investments. The Trust aims to manage its cash balances to provide for the day to day financial management of the Trust. Where surplus cash funds exist the Trust seeks to optimise returns at minimal risk.

Surplus funds are defined as funds in excess of those deemed to be needed to meet the day to day cash flow requirements for the financial management of the school taking into account the agreed minimum reserves level. The Director of Finance, once approval is given by the Finance, Risk and Audit sub-committee, will maximise investment return by investing surplus funds for up to 6 months in interest-bearing accounts with High Street Banks or Building Societies.

Investment guidelines:

- The Director of Finance reviews cash flow forecasts. Surplus funds exist when, for a given period of time, the balance on hand plus forecast cash inflows exceeds forecast outflows. Such surplus funds may be invested to earn interest for that period of time.
- Surplus funds may be invested in Fixed Term Deposit accounts for up to 6 months with the school's bank or another UK High Street Bank or Building Society. Such transactions are performed by Director of Finance with the documented approval of the Executive Principal/CEO.
- The Director of Finance will report each half term to the Finance Risk and Audit sub-committee, the amounts invested, the beginning and end dates and the interest rate.
- On maturity of any such investment the Director of Finance will review the position and may re-invest in line with this policy.

Inspire Learning Partnership

Trustees' Report

Principal Risks and Uncertainties

The Trustees have a comprehensive risk management process to identify and monitor the risks faced by the Academies. The principal risks identified include governance, statutory compliance, finance, insurance, attainment, attendance, behaviour, health and safety, organisation, operations, safeguarding, reputation, HR and ICT. A risk rating mechanism is in place with greater emphasis directed towards those identified higher risk areas.

Fundraising

The Trust mainly manages its fundraising activities which are held on one of our sites. These events are usually small and examples are:

- Summer Fete & BBQ
- Christmas Shopping Day
- School Discos
- Cake Sales

All fundraising monies are used to enhance the academies site and stakeholders are made aware of where the funds will be spent prior to the event.

All fundraising events attendance is voluntary.

The Trust currently works with several outside agencies in respect of fundraising, eg: Tesco (commission in sales of school uniforms), Photographers (commission from sales of school photos) etc.

Plans for Future Periods

Inspire Learning Partnership will continue to pursue its objectives and aims and support the continuing success and development of pupils, thereby reinforcing and building upon academies' existing OFSTED Outstanding and Good ratings.

The Trust will also continue to develop partnerships and collaborative working with the Halterworth Consortium for training teachers, the ETC Teaching Alliance and the SSAT. Links with local and regional businesses and the wider community will be developed in accordance with the Trust objectives and to the benefit of all pupils, academies and the community.

Our Priorities for 2019-20:

1. Sharpen every staff member's ability, at all levels of the organisation, to evaluate and judge the impact of actions on outcomes for children
2. Further develop the curriculum so that it is equitable and addresses the effects of disadvantage
3. Further develop understanding of early reading and phonics
4. Further develop efficient and effective financial and HR business processes
5. Ensure all schools and the nursery develop and carry out robust Health and Safety monitoring and evaluation

Inspire Learning Partnership

Trustees' Report

Funds Held as Custodian Trustee on Behalf of Others

No funds were held as custodian trustee on behalf of others.

Auditor

Insofar as the trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 9 December 2019 and signed on the board's behalf by:



T Sunderland

Trustee

Inspire Learning Partnership

Governance Statement

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Chief Executive, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Inspire Learning Partnership 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 five times during the year. Attendance during the year at meetings of the board of trustees was as follows:

	Meetings attended	Out of a possible
T Sunderland	5	5
C Lowe	5	5
K Godsall	5	5
J Wright	2	5
J Crandon	4	5
L Clark	5	5

The Finance and Risk Committee is a subcommittee of the Board of Trustees. Its purpose is to ensure economy, efficiency and effectiveness of financial management and value for money by rigorous monitoring and internal checks.

Attendance at meetings in the year was as follows:

Trustee / Academy Councillor	Meetings attended	Out of a possible
T Sunderland (Chair)	3	4
C Lowe	4	4
J Crandon	4	4
L Clark	4	4

Inspire Learning Partnership

Governance Statement

Review of Value for Money

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

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

- Continuing the integration of the merged trusts to achieve common working practices and greater cost effectiveness
- Strategically deploy staff to target improvement, efficiently and effectively, with focus on specialist support targeting interventions to identified pupils
- Good OFSTED inspection at Blackfield Primary School
- Moved from Requires Improvement to Good OFSTED rating at Hightown Primary School
- Maintained Good OFSTED rating at Blackfield Nursery School
- Sharing expertise of outstanding and senior leaders across Trust Schools
- Streamlining operations within the Trust
- Increased combined attainment at Hightown from 35% to 71% combined
- Received positive comments in the Kaneshill Ofsted report 2019 about the impact of the Trust on the school

Value for money is not through staffing review and restructure alone, as we continue to achieve significant economies of scale through collaborative procurement. To improve our financial systems and procedures the Trust employs a full time Director of Finance who ensures robust measures are in place and costs are reduced year on year.

We contract from a local special school IT Manager and operational support, which are advising and supporting on an on-going rolling programme for replacement and improvement of our IT facilities which strengthens and enhances the learning and support structure of the Academies.

The Trust has continued to generate income through external grant bids and will also continue to generate additional income through deploying staff to support in other settings and to investigate other business opportunities that will strengthen the Trust provision for pupils as well as generate income.

There is lettings income from local groups which we will continue to develop over the next year.

Inspire Learning Partnership

Governance Statement

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Inspire Learning Partnership for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees
- regular reviews by the finance and general purposes 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 a third party as internal reviewer.

Inspire Learning Partnership

Governance Statement

The Risk and Control Framework (continued)

The internal reviewer's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems and following up on issues and actions which have been graded according to level of risk. In particular the checks carried out in the current period included:

- Income and expenditure processes, controls and testing
- Debtors and creditors
- Cash and banking
- Compliance
- Financial systems

The internal reviewer reports to the Trustees and provides advice and guidance to the Trust's Finance and Risk sub-committee, on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

Review of Effectiveness

As accounting officer the Chief Executive 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 reviewer
- the work of the external auditor
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance, Risk and Audit sub-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 9 December 2019 and signed on its behalf by:



T Sunderland
Trustee



C Lowe
Accounting Officer

Inspire Learning Partnership

Statement of Regularity, Propriety and Compliance

As accounting officer of Inspire Learning Partnership I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

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



C Lowe

Accounting Officer

9 December 2019

Inspire Learning Partnership

Statement of Trustees' Responsibilities

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

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

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

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

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

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

Approved by order of the members of the board of trustees on 9 December 2019 and signed on its behalf by:



T Sunderland
Trustee

Inspire Learning Partnership

Independent Auditor's Report on the Financial Statements to the Members of Inspire Learning Partnership

Opinion

We have audited the financial statements of Inspire Learning Partnership ('the charitable company') for the year ended 31 August 2019 which comprise the Statement of Financial Activities (including the Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, 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 charitable company's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been properly prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2018 to 2019.

Basis for opinion

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

Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company'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.

Inspire Learning Partnership

Independent Auditor's Report on the Financial Statements to the Members of Inspire Learning Partnership

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 auditor's report thereon. It includes the Reference and Administrative Details, the Report of the Directors and 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

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

Inspire Learning Partnership

Independent Auditor's Report on the Financial Statements to the Members of Inspire Learning Partnership

Responsibilities of the trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company 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 to 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our 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 a Report of the Independent Auditors 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 Report of Independent Auditors.

Use of our report

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



R Hurst FCA (Senior statutory auditor)

For and on behalf of Hopper Williams & Bell Limited

Statutory Auditor

Highland House, Mayflower Close, Chandlers Ford, Eastleigh SO53 4AR

Date 16 December 2019

Inspire Learning Partnership

Independent Reporting Accountant's Assurance Report on Regularity to Inspire Learning Partnership and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 1 September 2019 and further to the requirements of the Education and 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 Inspire Learning Partnership during the period 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 the governing body and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Inspire Learning Partnership and the 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 the Inspire Learning Partnership and the ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Inspire Learning Partnership's funding agreement with the Secretary of State for Education dated 26 April 2018 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 period 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.

Inspire Learning Partnership

Independent Reporting Accountant's Assurance Report on Regularity to Inspire Learning Partnership and the Education & Skills Funding Agency

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- planning of assurance procedures including identifying key risks;
- substantive testing including analytical review;
- concluding on procedures carried out.

Substantive testing included the following procedures:

- confirming that activities conform to the Academy Trust's framework of authorities;
- considering the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance;
- evaluating the general control environment of the Academy Trust;
- testing a sample of transactions to consider whether the transaction is permissible within the Academy Trust's framework of authorities;
- confirming whether any extra-contractual payments have been made and whether appropriate authority was obtained;
- reviewing documentation for evidence of borrowing and confirming if approval was obtained from the ESFA;
- confirming whether ESFA approval was obtained for any disposals of assets;
- reviewing the internal control procedures relating to credit cards;
- reviewing for any indication of purchases for personal use by staff or officers;
- reviewing the list of suppliers to consider whether supplies are from related parties;
- considering whether income generating activities are permissible within the Academy Trust's charitable objects;
- reviewing whether lettings to related parties are made at favourable rates.

Inspire Learning Partnership

Independent Reporting Accountant's Assurance Report on Regularity to Inspire Learning Partnership and the Education & Skills Funding Agency

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 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.



R Hurst FCA

Reporting Accountant

Hopper Williams & Bell Limited

Chartered Accountants

Highland House, Mayflower Close, Chandlers Ford, Eastleigh SO53 4AR

Date 16 December 2019

Inspire Learning Partnership

Statement of Financial Activities for the year ended 31 August 2019 (including Income and Expenditure Account)

	Note	Un- restricted funds £	Restricted General Funds £	Restricted Pension Funds £	Restricted Fixed Asset Funds £	2018/19 Total £	2017/18 Total £
Income and endowments from:							
Donations and capital grants	2	154	-	-	164,358	164,512	29,881
Transfer of existing academy joining the trust		-	-	-	-	-	2,512,152
Charitable activities:							
Funding for the academy trust's educational operations	3	-	6,596,027	-	-	6,596,027	4,206,242
Other trading activities	4	18,722	-	-	-	18,722	7,018
Investments	5	592	-	-	-	592	410
Total		19,468	6,596,027	-	164,358	6,779,853	6,755,703
Expenditure on:							
Charitable activities:							
Academy trust educational operations	7	-	6,611,096	393,000	329,593	7,333,689	4,984,183
Net income / (expenditure)		19,468	(15,069)	(393,000)	(165,235)	(553,836)	1,771,520
Transfers between funds	17	-	(53,551)	-	53,551	-	-
Other recognised gains / (losses):							
Actuarial (losses) / gains on defined benefit pension schemes	25	-	-	(894,000)	-	(894,000)	336,000
Net movement in funds		19,468	(68,620)	(1,287,000)	(111,684)	(1,447,836)	2,107,520
Reconciliation of funds							
Total funds brought forward		437,542	121,117	(1,306,000)	8,716,177	7,968,836	5,861,316
Total funds carried forward		457,010	52,497	(2,593,000)	8,604,493	6,521,000	7,968,836

The notes on pages 29 to 52 form part of these financial statements.

Inspire Learning Partnership

Balance Sheet as at 31 August 2019

Company Number 09202445

	Note	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Tangible assets	12		8,541,133		8,626,522
Current assets					
Stock	13	2,079		6,384	
Debtors	14	433,363		522,825	
Cash at bank and in hand		702,980		757,183	
		<u>1,138,422</u>		<u>1,286,392</u>	
Liabilities					
Creditors: Amounts falling due within one year	15	<u>(535,418)</u>		<u>(602,098)</u>	
Net current assets			<u>603,004</u>		<u>684,294</u>
Total assets less current liabilities			<u>9,144,137</u>		<u>9,310,816</u>
Creditors:					
Amounts falling due after more than one year	16		<u>(30,137)</u>		<u>(35,980)</u>
Net assets excluding pension liability			<u>9,114,000</u>		<u>9,274,836</u>
Defined benefit pension scheme liability	25		<u>(2,593,000)</u>		<u>(1,306,000)</u>
Total net assets			<u>6,521,000</u>		<u>7,968,836</u>
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	17	8,604,493		8,716,177	
Restricted income fund	17	52,497		121,117	
Pension reserve	17	<u>(2,593,000)</u>		<u>(1,306,000)</u>	
Total restricted funds			<u>6,063,990</u>		<u>7,531,294</u>
Unrestricted income funds	17		<u>457,010</u>		<u>437,542</u>
Total funds			<u>6,521,000</u>		<u>7,968,836</u>

The financial statements on pages 26 to 52 were approved by the trustees and authorised for issue on 9 December 2019 and are signed on their behalf by:



T Sunderland
Trustee

The notes on pages 29 to 52 form part of these financial statements.

Inspire Learning Partnership

Statement of Cash Flows for the year ended 31 August 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by (used in) operating activities	21	185,748	(107,019)
Cash flows from investing activities	22	(239,951)	83,788
Change in cash and cash equivalents in the reporting period		(54,203)	(23,231)
Cash and cash equivalents at 1 September 2018		757,183	780,414
Cash and cash equivalents at 31 August 2019	23	702,980	757,183

Inspire Learning Partnership

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), judgements and key sources of estimation uncertainty, is set out below.

Basis of Preparation

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

Going Concern

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

Income

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

- **Grants**

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

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

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

- **Donations**

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

Inspire Learning Partnership

Notes to the Financial Statements for the Year Ended 31 August 2019

Income (continued)

- **Other Income**

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

- **Donated goods, facilities and services**

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

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

All resources expended are inclusive of irrecoverable VAT.

Inspire Learning Partnership

Notes to the Financial Statements for the Year Ended 31 August 2019

Tangible Fixed Assets

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

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

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

Leasehold Land and Buildings	2% straight line on buildings; not provided on land
Leasehold Improvements	10 years straight line
Furniture and Equipment	5 - 7 years straight line
Computer Equipment	3 - 5 years straight line
Motor Vehicles	3 - 6 years straight line

Long leasehold land has not been depreciated as it is similar to freehold land, which does not require depreciation.

Where the academy trust can identify the value of major components of freehold or leasehold buildings based upon additions following conversion to academy status, the academy trust reviews whether one or more such components have significantly different patterns of consumption of economic benefits. In such cases, the academy trust allocates the cost of the asset to its major components and depreciates each component separately over its useful life.

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

Liabilities

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

Inspire Learning Partnership

Notes to the Financial Statements for the Year Ended 31 August 2019

Provisions

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

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

Leased Assets

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

Financial Instruments

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

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments.

Cash at bank

Cash at bank is classified as a basic financial instrument and is measured at face value. An investment is treated as a cash equivalent when it has a short maturity of three months or less from the date of acquisition.

Financial liabilities

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

Stock

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

Taxation

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

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

Inspire Learning Partnership

Notes to the Financial Statements for the Year Ended 31 August 2019

Pensions Benefits

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

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

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

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

Fund Accounting

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

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

Inspire Learning Partnership

Notes to the Financial Statements for the Year Ended 31 August 2019

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

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 (income) for pensions include the discount rate. Any changes in these assumptions 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.

The assumptions used are disclosed in note 25.

Critical areas of judgement

There are no other critical areas of judgement.

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	2018/19 Total £	2017/18 Total £
Capital grants	-	164,358	164,358	17,203
Other donations	154	-	154	12,678
	154	164,358	164,512	29,881
<i>Total 2018</i>	<i>12,678</i>	<i>17,203</i>	<i>29,881</i>	

Inspire Learning Partnership

Notes to the Financial Statements for the Year Ended 31 August 2019

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	2018/19 Total £	2017/18 Total £
DfE / ESFA grants				
General Annual Grant (GAG)	-	5,088,464	5,088,464	3,275,080
Pupil premium	-	612,850	612,850	377,435
Other DfE Group grants	-	359,764	359,764	139,980
	-	6,061,078	6,061,078	3,792,495
Other Government grants				
Local authority grants	-	107,578	107,578	62,989
Other income from the academy trust's educational operations				
Trip income	-	76,340	76,340	51,800
Tuition fee income	-	13,022	13,022	11,677
Catering income	-	56,758	56,758	31,979
Nursery income	-	168,529	168,529	163,539
Other income	-	112,722	112,722	91,763
	-	427,371	427,371	350,758
	-	6,596,027	6,596,027	4,206,242
Total 2018	-	4,206,242	4,206,242	

4 Other trading activities

	Unrestricted funds £	Restricted funds £	2018/19 Total £	2017/18 Total £
Hire of facilities	18,722	-	18,722	7,018
Total 2018	7,018	-	7,018	

5 Investment income

	Unrestricted funds £	Restricted funds £	2018/19 Total £	2017/18 Total £
Short term deposits	592	-	592	410
Total 2018	410	-	410	

Inspire Learning Partnership

Notes to the Financial Statements for the Year Ended 31 August 2019

6 Expenditure

	Staff costs	Non Pay Expenditure		Total	Total
		Premises	Other	2018/19	2017/18
	£	£	£	£	£
Academy's educational operations:					
Direct costs	4,301,398	-	522,896	4,824,294	3,128,976
Allocated support costs	1,306,843	274,559	927,993	2,509,395	1,855,207
	5,608,241	274,559	1,450,889	7,333,689	4,984,183
<i>Total 2018</i>	3,503,312	545,103	935,768	4,984,183	

Net income/(expenditure) for the period includes:

	2018/19	2017/18
	£	£
Operating lease rentals	29,433	31,667
Depreciation	323,214	229,649
(Gain)/loss on disposal of fixed assets	2,126	-
Fees payable to auditor for:		
Audit	13,160	12,900
Other services	4,095	2,310

Included within expenditure are the following transactions:

	Total	Individual items above £5,000	
	£	Amount	Reason
	£	£	
Fixed asset losses	2,127	-	-

Inspire Learning Partnership

Notes to the Financial Statements for the Year Ended 31 August 2019

7 Charitable activities

	2018/19	2017/18
	Total	Total
	£	£
Direct costs	4,824,294	3,128,976
Support costs	2,509,395	1,855,207
	7,333,689	4,984,183

Analysis of support costs:

	Educational operations	2018/19	2017/18
		Total	Total
	£	£	£
Support staff costs	1,306,843	1,306,843	719,014
Depreciation	323,214	323,214	229,649
Technology costs	151,580	151,580	70,586
Premises costs	274,559	274,559	545,103
Other support costs	434,169	434,169	267,865
Governance costs	19,030	19,030	22,990
Total support costs	2,509,395	2,509,395	1,855,207
<i>Total 2018</i>	<i>1,855,207</i>	<i>1,855,207</i>	

Inspire Learning Partnership

Notes to the Financial Statements for the Year Ended 31 August 2019

8 Staff

a) Staff costs

Staff costs during the period were:

	2018/19	2017/18
	£	£
Wages and salaries	4,115,775	2,652,262
Social security costs	345,309	218,394
Pension costs	1,060,711	573,303
	5,521,795	3,443,959
Agency staff costs	62,789	37,052
Staff restructuring costs	23,657	22,301
	5,608,241	3,503,312
Staff restructuring costs comprise:		
Severance payments	23,657	22,301
	23,657	22,301

b) Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £23,657 (2018: £22,301). Individually, the payments were: £10,967, £6,009, £5,508 and £1,173.

c) Staff numbers

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

	2018/19	2017/18
	No.	No.
Teachers	77	75
Administration and support	134	117
Management	8	8
	219	200

d) Higher paid staff

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

	2018/19	2017/18
	No.	No.
£60,000 - £70,000	1	1
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-

e) Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £838,303 (2018: £449,291).

Inspire Learning Partnership

Notes to the Financial Statements for the Year Ended 31 August 2019

9 Related Party Transactions – Trustees’ remuneration and expenses

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

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

		2018/19	2017/18
		£000	£000
C Lowe	Remuneration	90-95	85-90
(Staff trustee)	Employer’s pension contributions paid	15-20	10-15

During the period ended 31 August 2019, travel and subsistence expenses totalling £171 were reimbursed or paid directly to one trustee (2018: £317 to one trustee).

10 Trustees and officers insurance

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

11 Central Services

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

- Technology costs
- Premises costs
- Staff costs
- Other costs

The academy trust charges for these services by reference to the number of pupil on roll. The actual amounts charged during the year were as follows:

	2018/19	2017/18
	£	£
Blackfield Primary School	170,256	78,335
Fawley Infant School	30,024	14,032
Hightown Primary School	79,848	36,206
Kanes Hill Primary School	140,232	61,994
	420,360	190,567

Inspire Learning Partnership

Notes to the Financial Statements for the Year Ended 31 August 2019

12 Tangible fixed assets

	Leasehold Land and Buildings £	Leasehold Improve- ments £	Furniture and Equipment £	Computer Equipment £	Motor Vehicles £	Total £
Cost						
At 1 September 2018	8,458,489	351,486	63,033	406,913	36,067	9,315,988
Acquisitions	-	135,240	6,230	98,481	-	239,951
Disposals	-	-	-	(4,483)	-	(4,483)
Reclassifications	-	-	-	6,380	-	6,380
At 31 August 2019	8,458,489	486,726	69,263	507,291	36,067	9,557,836
Depreciation						
At 1 September 2018	388,086	52,070	20,663	200,510	28,137	689,466
Charged in year	156,564	39,683	16,596	106,182	4,189	323,214
Disposals	-	-	-	(2,357)	-	(2,357)
Reclassifications	-	-	-	6,380	-	6,380
At 31 August 2019	544,650	91,753	37,259	310,715	32,326	1,016,703
Net book values						
At 31 August 2018	8,070,403	299,416	42,370	206,403	7,930	8,626,522
At 31 August 2019	7,913,839	394,973	32,004	196,576	3,741	8,541,133

13 Stock

	2018/19 £	2017/18 £
Other stocks	2,079	6,384

14 Debtors

	2018/19 £	2017/18 £
Trade debtors	6,854	16,698
VAT recoverable	91,072	162,838
Other debtors	2,577	6,863
Prepayments and accrued income	332,860	336,426
	433,363	522,825

Inspire Learning Partnership

Notes to the Financial Statements for the Year Ended 31 August 2019

15 Creditors: amounts falling due within one year

	2018/19	2017/18
	£	£
Trade creditors	203,322	279,177
Other taxation and social security	86,318	74,180
Loans falling due within one year	5,843	5,843
Other creditors falling due within one year	78,891	100,109
Accruals and deferred income	161,044	142,789
	535,418	602,098

	2018/19	2017/18
	£	£
Deferred income at 1 September 2018	75,467	52,665
Released from previous years	(75,467)	(52,665)
Resources deferred in the year	67,956	75,467
Deferred income at 31 August 2019	67,956	75,467

At the balance sheet date the academy trust was holding funds received in advance for UIFSM funding and trip income for the forthcoming year.

Loans falling due within one year comprise interest free Salix energy efficiency loans, which are repayable in instalments.

16 Creditors: amounts falling due in greater than one year

	2018/19	2017/18
	£	£
Loans falling due in greater than one year	30,137	35,980

Loans falling due in greater than one year comprise interest free Salix energy efficiency loans, which are repayable in instalments. The total includes £6,765 (2018: £12,608) not wholly repayable within 5 years.

Inspire Learning Partnership

Notes to the Financial Statements for the Year Ended 31 August 2019

17 Funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers £	Gains and losses £	Balance at 31 August 2019 £
Restricted general funds						
General Annual Grant (GAG)	142,214	5,088,464	(5,159,788)	(53,551)	-	17,339
Pupil Premium	-	612,850	(612,850)	-	-	-
Other DfE/ESFA grants	-	253,930	(253,930)	-	-	-
MDIF Grant	(25,345)	105,834	(80,489)	-	-	-
Other government grants	-	107,578	(107,578)	-	-	-
Nursery	4,248	168,529	(137,619)	-	-	35,158
Other educational activities	-	258,842	(258,842)	-	-	-
	121,117	6,596,027	(6,611,096)	(53,551)	-	52,497
Pension reserve	(1,306,000)	-	(393,000)	-	(894,000)	(2,593,000)
	(1,184,883)	6,596,027	(7,004,096)	(53,551)	(894,000)	(2,540,503)
Restricted fixed asset funds						
Fixed asset fund	8,626,522	-	(325,340)	239,951	-	8,541,133
DfE Group capital grants (DFC)	30,461	79,159	-	(105,725)	-	3,895
DfE Group capital grants (CIF)	59,194	85,199	(4,253)	(80,675)	-	59,465
	8,716,177	164,358	(329,593)	53,551	-	8,604,493
Total restricted funds	7,531,294	6,760,385	(7,333,689)	-	(894,000)	6,063,990
Total unrestricted funds	437,542	19,468	-	-	-	457,010
Total funds	7,968,836	6,779,853	(7,333,689)	-	(894,000)	6,521,000

Inspire Learning Partnership

Notes to the Financial Statements for the Year Ended 31 August 2019

17 Funds (continued)

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

General annual grant

This includes all funding received from the ESFA to carry out the objectives of the academy. It includes the school budget share; minimum funding guarantee; education services grant; insurance; rates; and pre-16 high needs funding streams.

Other DfE/ESFA grants

This is funding received from the ESFA for specific purposes, for example pupil premium funding.

Local authority grants

This is funding received from the local authority for specific purposes, for example Special Educational Needs funding.

Other educational activities

This includes all other educational income/expenditure.

Pension reserve

This represents the negative reserve in respect of the liability on the LGPS pension scheme which was transferred to the academy trust on conversion.

Fixed asset fund

The fund includes the value of the tangible fixed assets of the academy on conversion, and amounts transferred from GAG or other restricted funds specifically for expenditure on tangible fixed assets, and the annual charges for depreciation of these assets.

DfE/ESFA capital grants

This is funding received from the DfE/ESFA specifically for expenditure on tangible fixed assets.

Transfers between funds

Transfers to the restricted fixed asset fund represent the cost of fixed asset additions which have been funded from restricted or unrestricted general funds.

Inspire Learning Partnership

Notes to the Financial Statements for the Year Ended 31 August 2019

17 Funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2018/19	2017/18
	£	£
Blackfield Primary School	261,740	342,896
Fawley Infant School	125,014	125,014
Hightown Primary School	(24,117)	19,522
Kanes Hill Primary School	63,449	96,572
Central services	83,421	(25,345)
Total before fixed assets and pension reserve	509,507	558,659
Restricted fixed asset fund	8,604,493	8,716,177
Pension reserve	(2,593,000)	(1,306,000)
Total	6,521,000	7,968,836

Hightown Primary School is carrying a net deficit of £24,117 on these funds due to low pupil numbers and long term staff sickness.

The academy trust plans to return the school to surplus through increasing pupil numbers and leveraging synergies across the trust.

Total cost analysis by academy

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

	Teaching and Educational Support Staff Costs	Other Support Staff Costs	Educational Supplies	Other Costs (excl. depreciation)	2018/19 Total	2017/18 Total
	£	£	£	£	£	£
Blackfield Primary School	1,731,353	567,043	249,384	298,713	2,846,493	3,089,808
Fawley Infant School	265,523	83,056	34,230	56,289	439,098	504,048
Hightown Primary School	827,999	258,452	93,959	205,349	1,385,759	740,091
Kanes Hill Primary School	1,476,523	398,292	145,323	318,987	2,339,125	420,587
	4,301,398	1,306,843	522,896	879,338	7,010,475	4,754,534

Inspire Learning Partnership

Notes to the Financial Statements for the Year Ended 31 August 2019

17 Funds (continued)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers £	Gains and losses £	Balance at 31 August 2018 £
Restricted general funds						
General Annual Grant (GAG)	315,983	3,275,080	(3,312,275)	(136,574)	-	142,214
Pupil Premium	-	377,435	(377,435)	-	-	-
Other DfE/ESFA grants	-	139,980	(139,980)	-	-	-
MDIF Grant	-	-	(25,345)	-	-	(25,345)
Other government grants	-	62,989	(62,989)	-	-	-
Nursery	4,184	163,539	(163,475)	-	-	4,248
Other educational activities	-	187,219	(187,219)	-	-	-
	320,167	4,206,242	(4,268,718)	(136,574)	-	121,117
Pension reserve	(652,000)	(852,000)	(138,000)	-	336,000	(1,306,000)
	(331,833)	3,354,242	(4,406,718)	(136,574)	336,000	(1,184,883)
Restricted fixed asset funds						
Fixed asset fund	5,531,587	3,188,010	(229,649)	136,574	-	8,626,522
DfE Group capital grants (DFC)	-	30,461	-	-	-	30,461
DfE Group capital grants (CIF)	413,690	(6,680)	(347,816)	-	-	59,194
	5,945,277	3,211,791	(577,465)	136,574	-	8,716,177
Total restricted funds	5,613,444	6,566,033	(4,984,183)	-	336,000	7,531,294
Total unrestricted funds	247,872	189,670	-	-	-	437,542
Total funds	5,861,316	6,755,703	(4,984,183)	-	336,000	7,968,836

Inspire Learning Partnership

Notes to the Financial Statements for the Year Ended 31 August 2019

18 Analysis of net assets between funds

	Un-restricted funds	Restricted general funds	Restricted pension funds	Restricted fixed asset funds	Total funds
	£	£	£	£	£
Tangible fixed assets	-	-	-	8,541,133	8,541,133
Current assets	457,010	618,052	-	63,360	1,138,422
Current liabilities	-	(535,418)	-	-	(535,418)
Non-current liabilities	-	(30,137)	-	-	(30,137)
Pension scheme liability	-	-	(2,593,000)	-	(2,593,000)
Total net assets	457,010	52,497	(2,593,000)	8,604,493	6,521,000

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

	Un-restricted funds	Restricted general funds	Restricted pension funds	Restricted fixed asset funds	Total funds
	£	£	£	£	£
Tangible fixed assets	-	-	-	8,626,522	8,626,522
Current assets	437,542	759,195	-	89,655	1,286,392
Current liabilities	-	(602,098)	-	-	(602,098)
Non-current liabilities	-	(35,980)	-	-	(35,980)
Pension scheme liability	-	-	(1,306,000)	-	(1,306,000)
Total net assets	437,542	121,117	(1,306,000)	8,716,177	7,968,836

19 Capital commitments

	2018/19	2017/18
	£	£
Contracted for, but not provided in the financial statements	5,537	65,875

20 Commitments under operating leases

At 31 August 2019 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2018/19	2017/18
	£	£
Amounts due within one year	6,432	32,462
Amounts due between one and five years	8,845	13,831
	15,277	46,293

Inspire Learning Partnership

Notes to the Financial Statements for the Year Ended 31 August 2019

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

	2018/19	2017/18
	£	£
Net (expenditure) / income for the reporting period	(553,836)	1,771,520
Adjusted for:		
Depreciation	323,214	229,649
(Gain)/loss on disposal of fixed assets	2,126	-
Defined benefit pension scheme cost less contributions payable	361,000	117,000
Defined benefit pension scheme finance cost	32,000	21,000
Transfer from an existing academy trust	-	(2,512,152)
Decrease / (increase) in stocks	4,305	(3,009)
Decrease in debtors	89,462	199,363
(Decrease) / increase in creditors	(72,523)	69,610
Net cash provided by / (used in) Operating Activities	185,748	(107,019)

22 Cash flows from investing activities

	2018/19	2017/18
	£	£
Purchase of tangible fixed assets	(239,951)	(136,574)
Cash transferred from existing academy trust		220,362
Net cash (used in) / provided by investing activities	(239,951)	83,788

23 Analysis of cash and cash equivalents

	2018/19	2017/18
	£	£
Cash in hand and at bank	702,980	757,183

24 Members liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/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.

Inspire Learning Partnership

Notes to the Financial Statements for the Year Ended 31 August 2019

25 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Hampshire 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 March 2016.

Contributions amounting to £71,933 were payable to the schemes at 31 August 2019 (2018: £80,256) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension budgeting and valuation account

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.

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 0.8%). 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 on the Teachers' Pension Scheme website at:

<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>

Inspire Learning Partnership

Notes to the Financial Statements for the Year Ended 31 August 2019

25 Pension and similar obligations (continued)

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, has 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.

The employer's pension costs paid to TPS in the period amounted to £393,645 (2018: £256,708).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was as follows:

	2019	2018
	£	£
Employer's contributions	336,000	224,000
Employees' contributions	94,000	60,000
	430,000	284,000

The agreed contribution rates for future years are 16.1% for employers (increasing to 18.9% from 1 April 2020) and 5.5% to 12.5% for employees.

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

Inspire Learning Partnership

Notes to the Financial Statements for the Year Ended 31 August 2019

25 Pension and similar obligations (continued)

Principal actuarial assumptions

	2019	2018
Rate of increase in salaries	3.6%	3.5%
Rate of increase for pensions in payment/inflation	2.1%	2.0%
Discount rate for scheme liabilities	1.9%	2.8%
Inflation assumption (CPI)	2.1%	2.0%

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

	2019	2018
<i>Retiring today</i>		
Males	23.1	24.1
Females	25.8	27.2
<i>Retiring in 20 years</i>		
Males	24.7	26.2
Females	27.6	29.4

Sensitivity analysis

	Increase/(reduction) in defined benefit obligation	
	2019	2018
	£	£
Discount rate +0.1%	(147,000)	(105,000)
Discount rate -0.1%	151,000	108,000
Mortality assumption – 1 year increase	223,000	133,000
Mortality assumption – 1 year decrease	(220,000)	(133,000)

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

	2019	2018
	£	£
Equities	2,406,000	2,182,000
Property	288,000	236,000
Government bonds	823,000	782,000
Corporate bonds	-	41,000
Cash	76,000	79,000
Other	404,000	94,000
Total market value of assets	3,997,000	3,414,000

The actual return on scheme assets was £216,000 (2018: £169,000).

Inspire Learning Partnership

Notes to the Financial Statements for the Year Ended 31 August 2019

25 Pension and similar obligations (continued)

Amount recognised in the Statement of Financial Activities

	2018/19	2017/18
	£	£
Current service cost	466,000	318,000
Past service cost	231,000	23,000
Interest income	(101,000)	(47,000)
Interest cost	133,000	68,000
Total amount recognised in the SOFA	<u>729,000</u>	<u>362,000</u>

The past service cost represents an actuarial estimate of the additional underpin liability arising as a result of the McCloud/Sargeant judgement in December 2018 and the Supreme Court's decision not to allow the Government an appeal on 27 June 2019.

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

	2018/19	2017/18
	£	£
At 1 September	4,720,000	1,797,000
Transferred in on existing academies joining the academy trust	-	2,719,000
Current service cost	466,000	318,000
Interest cost	133,000	68,000
Employee contributions	94,000	60,000
Actuarial loss / (gain)	1,009,000	(214,000)
Benefits paid	(63,000)	(51,000)
Past service cost	231,000	23,000
At 31 August	<u>6,590,000</u>	<u>4,720,000</u>

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

	2018/19	2017/18
	£	£
At 1 September	3,414,000	1,145,000
Transferred in on existing academies joining the academy trust	-	1,867,000
Interest income	101,000	47,000
Actuarial gain	115,000	122,000
Employer contributions	336,000	224,000
Employee contributions	94,000	60,000
Benefits paid	(63,000)	(51,000)
At 31 August	<u>3,997,000</u>	<u>3,414,000</u>

Inspire Learning Partnership

Notes to the Financial Statements for the Year Ended 31 August 2019

26 Related party transactions

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

Income Related Party Transactions:

Thornhill Vineyard Church - an organisation of which J Crandon is a Trustee

- During the period, Thornhill Vineyard Church hired facilities at Kanes Hill Primary School for a hire charge of £1,650 (2018: £300).