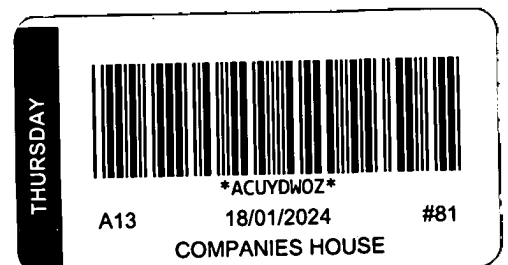


Inspire Education Community Trust
(A Company Limited by Guarantee)
Annual Report and Financial Statements
Year ended 31 August 2023

Company Registration Number
10155032 (England and Wales)

Feltons
Chartered Accountants

Birmingham
B1 3JR



**Inspire Education Community Trust
(A Company Limited by Guarantee)**

**Report and Financial Statements
Year ended 31 August 2023**

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**Inspire Education Community Trust
(A Company Limited by Guarantee)**

Reference and Administrative Details

Members

Current

Ahmed Jamal Nasir Awan (01/06/2016)

Elizabeth Pritchard (01/09/2019)

Rosamunde Lee (01/09/2019)

Zafar Ali (04/03/2019)

Zaheer Afzal (18/01/2022)

Trustees

Current

Edaris Gaibee (resigned 10/12/2023)

Rosamunde Lee (01/06/2016) Vice Chair

Alison King-Harmes (22/03/2018)

Christine Lane (14/02/2019)

Shamsul Arifeen (13/09/2018)

Sabreen Marashli (01/09/2022) Chair

Bushra Khan (05/06/2023)

Irum Naz (05/06/2023)

Shaukat Islam (01/06/2016) CEO/Accounting Officer

Tanwir Hussain (resigned 21/06/2023)

Company secretary

Jennie Webber

**Inspire Education Community Trust
(A Company Limited by Guarantee)**

Reference and Administrative Details (continued)

Executive Leadership Team

- | | |
|------------------------------|--|
| • CEO/Executive Head Teacher | Shaukat Islam |
| • Executive Teaching Leader | Maureen Carroll |
| • Head of School (Acting) | Julie Adams (Yew Tree Community School) |
| • Head of School | Rashida Begum (City Road Primary School) |

**Senior Leadership Team
(Yew Tree Community School)**

- | | |
|--------------------------|-----------------------------|
| • Assistant Head Teacher | Nasrin Ahmed |
| • Assistant Head Teacher | Stephanie Pettitt |
| • Assistant Head Teacher | Shereena Wynter |
| • Assistant Head Teacher | Elizabeth Phillips (Acting) |

**Senior Leadership Team
(City Road Primary School)**

- | | |
|--------------------------|------------------------|
| • Assistant Head Teacher | Fahmija Anwar (Acting) |
| • Assistant Head Teacher | Amarpal Sohal |
| • Assistant Head Teacher | Sarvjeet Jandu |
| • Assistant Head Teacher | Michael Rayner |
| • Assistant Head Teacher | Gemma Luna |

Company name	Inspire Education Community Trust
Principal and registered office	c/o Yew Tree Community School Yew Tree Road Birmingham B6 6RX
Company registration number	10155032
Independent auditor	Feltons Chartered Accountants 8 Sovereign Court 8 Graham Street Birmingham B1 3JR
Bankers	Lloyds Bank plc Units 2/3 Caxton Gate, 36/38 New Street Birmingham B2 4LP
Solicitors	Browne Jacobson LLP Victoria Square House, Victoria Square Birmingham B2 4BU

Inspire Education Community Trust (A Company Limited by Guarantee)

Trustees' report for the year ended 31 August 2023

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2022 to 31 August 2023. The annual report serves the purposes of both a trustees' report and a directors' report (incorporating a strategic report) under company law.

The multi academy trust operates 2 primary schools serving catchment areas in the Aston Ward and the North Edgbaston Ward which are:

- Yew Tree Community School
- City Road Primary School

They have a combined pupil capacity of 840 + 156 p/t Nursery places had a roll of 839 pupils + 87 p/t Nursery places filled in the school census on 5th October 2023.

Structure, Governance and Management

Constitution

The multi 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 multi academy trust. The Trustees of *Inspire Education Community Trust* are also the directors of the charitable company for the purposes of company law. The charitable company operates as *Inspire Education Community Trust*.

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

Members' liability

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

Trustees' indemnities

In accordance with normal commercial practice the multi academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on multi academy business. The insurance provides cover up to £10,000,000 on any one claim.

Method of recruitment and appointment or election of Trustees

Trustees are appointed by the MEMBERS of the Trust and may also be co-opted by the Trust board with the intention that the Board should comprise of an effective combination of experience, skills and knowledge to fully meet the accountability requirements outlined in the Academies Financial Handbook.

Individuals appointed as trustees must demonstrate:

- a set of competencies required by the TRUST board and which brings additionality.
- a commitment to maintaining a rigorous strategic oversight of TRUST statutory, mandatory and regulatory responsibilities

Trustees are made up of non-employees of the Multi Academy Trust with the exception of the CEO.

The above selection procedures for Trustees includes local advertising, website, other social media technologies and word of mouth. Interested parties contact the school and have an initial interview with the Chair of the Trust or CEO and nominations will be taken to the Board, who will consider their application. The final decision will be left with the TRUST Board.

**Inspire Education Community Trust
(A Company Limited by Guarantee)**

Trustees' report for the year ended 31 August 2023 (continued)

Policies and procedures adopted for the induction and training of trustees

The Board of Trustees has a service level agreement with *School and Governor Support* (a traded service of Birmingham Local Authority) to provide training, advice and support for all those involved in the governance of the academy (Trustees and members of the Local Governing Bodies).

Newly elected trustees and members of the local governing bodies attend induction training for new trustees and governors, and in addition select specific training provided by school and Governor Support in accordance with their needs.

The CEO is the leader for professional development in the MAT; the CEO ensures that governors are provided with opportunities to receive training in accordance with their role, and the schools' training plan.

Organisational structure

The board of trustees has established a number of committees:

- Pay Committee
- Executive Headteacher Appraisal committee
- Finance, Audit and Risk Committee
- Staff Discipline Committee
- Appeals Committee

The following committees are comprised of members of the local governing body:

- The local governing body at the academy
- Pupil discipline committee

In addition, local governing body members have individual roles e.g. safeguarding governor, SEND governor etc.

The written terms of reference of the committees include the monitoring of the preparation and management of the Academy's budget and implementation of the Academy's financial management policies, including risk assessment.

The Board of Trustees also appoints a responsible officer, and this role has been fully implemented in accordance with the academy trust's financial procedures.

Decisions relating to regularity, propriety and value for money of all aspects of Trust business are reserved for the Board of Trustees. The associated levels of delegated responsibility to the Executive Head Teacher and Local Governing Board are outlined in the TRUST Scheme of Delegation.

Arrangements for setting pay and remuneration of key management personnel

The teachers' pay and conditions document is the basis on which remuneration is decided by the pay committee.

Inspire Education Community Trust
(A Company Limited by Guarantee)

Trustees' report for the year ended 31 August 2023 (continued)

Trade union facility time

Information in accordance with Schedule 2 of the Trade Union (Facility Time Publication Requirements) Regulations 2018 is as follows :

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent number
	0

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Total cost of facility time	£0
Total pay bill	£0
Facility time as percentage of total pay bill	0

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	0
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Related parties and other connected charities and organisations

There were no related party transactions in the year.

**Inspire Education Community Trust
(A Company Limited by Guarantee)**

Trustees' report for the year ended 31 August 2023 (continued)

Objectives and activities

Objects and aims

The strategic goal of Inspire Education Community Trust is to provide a broad and balanced curriculum to all pupils in accordance with the funding agreement between the Academy Trust and the Department for Education.

Our Vision

To establish a family of schools, committed to learning together in the best interests of our children.

Our Values

Inspire – We are passionate about children's education; we have the ability to transform lives and strongly improve the life chances of our children. We will inspire success!

Education – Education opens doors and is the key to success. In our schools, staff will 'go the extra mile' to ensure an excellent education for our children; staff will never accept disadvantage as an excuse for underachievement.

Community – Community is central to our moral purpose. We value all partners in the education of children; we will work in strong partnership with parents/carers and all those interested in the education of children and young people.

Trust – We will work collaboratively with honesty and integrity deeply rooted in our way of working.

Objectives, strategies and activities

At INSPIRE, we work together as a community (staff, parents/carers, children, governors, trustees and members of the wider community) to inspire success for our pupils.

Our curriculum has been carefully planned and organised to ensure breadth, balance and depth of education for every child in our school. Our curriculum prepares our children for life in modern Britain.

Our curriculum is based on the National Curriculum; we have also adapted it to meet the needs of our children.

In the design of our curriculum, we have considered knowledge progression and sequencing of concepts that enable pupils to build on what they have learnt previously.

With a very high proportion of children who have English as an additional language, early English language acquisition and the learning of phonics are prioritised.

Reading throughout school is also prioritised. The teaching of reading and promoting reading for pleasure are highly organised.

The school is highly ambitious for all children to be well-equipped with basic skills in reading, writing and maths needed across the curriculum and to prepare them for the next stage of their education.

Mathematical fluency and confidence in numeracy is regarded as preconditions of success across the school's curriculum.

We strive to ensure that our curriculum is accessible to all, including for those children who have special educational needs, in line with Special Educational Needs and Disability Regulations 2014. Children with special educational needs or disabilities also receive additional interventions e.g. speech and language.

Our curriculum has been designed to: activate children's prior knowledge, provide first-hand learning experiences, build resilience and become creative, critical thinkers.

We promote equal opportunities to all of our pupils in line with the Equality Act 2010 throughout our practice.

**Inspire Education Community Trust
(A Company Limited by Guarantee)**

Trustees' report for the year ended 31 August 2023 (continued)

We promote diversity, celebrate difference and encourage respect for all through our curriculum. This enables our pupils to embrace the world around them and encourages adherence with fundamental British values.

The school values of 'Learn, Care, Respect and Be Safe' underpin the work of our school.

Our 'Wheel of Well-being' promotes the spiritual, moral, social, cultural, mental and physical development of pupils at our school.

Children's mental health and well-being are important aspects of our curriculum.

Our free extracurricular provision includes sport and physical activity. This is to promote the health and well-being of our pupils and to help towards reducing high levels of obesity.

Our improvement priorities for 2022 - 2023 were:

1. Continue to support and develop pupils' love of reading
2. Ensure pupils make strong and sustained progress in Maths
3. Enhancing outdoor learning in the EYFS
3. Promote high attendance

Through the process of self-evaluation, the executive headteacher, supported by the Senior Leadership Team, analyses the school's performance, identifies strengths and areas for development, and sets annual priorities within the School Improvement Plans (SIP). The Board discuss and approve the School Improvement Plan (SIP) and approve the financial plan to support the implementation of the SIP. The SIP is reviewed each term and the Local Governing Bodies are updated on progress. In the following year, the head of school presents an evaluation of the impact of the SIP upon outcomes to the Local Governing Body.

Public benefit

In setting our objectives and planning our activities, the Board of Trustees has given careful consideration to the general guidance on public benefit published by the Charity Commission on their website at www.gov.uk/topic/running-charity/managing-charity in exercising their powers or duties.

Inspire Education Community Trust is an equal opportunity employer, and strives to give full and fair consideration to all applicants for employment, training and promotions, irrespective of their age, disability, gender reassignment, marriage or civil partnership, pregnancy or maternity, race, religion or belief, sex, or sexual orientation.

The Academy will continue to provide education to children that:

- Is balanced and broadly based;
- Provides the spiritual, moral, cultural, mental and physical development of students at the Academy;
- Prepares students for the opportunities, responsibilities and experiences of later life;
- Promotes, sustains and increases individual and collective knowledge and understanding of study, Skills and expertise.

Inspire Education Community Trust
(A Company Limited by Guarantee)

Trustees' report for the year ended 31 August 2023 (continued)

Strategic Report

Achievements and Performance

City Road Primary School - KS2 Provisional Data

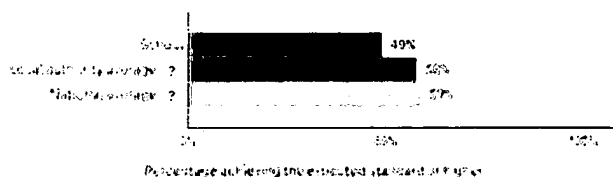
Progress in reading, writing and maths ?

Reading ?	Writing ?	Maths ?
Number of pupils = 47	Number of pupils = 47	Number of pupils = 47
Pupils with adjusted scores = 0	Pupils with adjusted scores = 0	Pupils with adjusted scores = 0
Average 1.32	Average 0.04	Above average 1.87
Confidence interval ? -0.5 to 3.1	Confidence interval ? -4.7 to 1.8	Confidence interval ? 0.2 to 3.6

Reading, writing and maths combined

Percentage of pupils achieving the expected standard or higher ?

Number of pupils = 59



Yew Tree Community School - KS2 Provisional Data

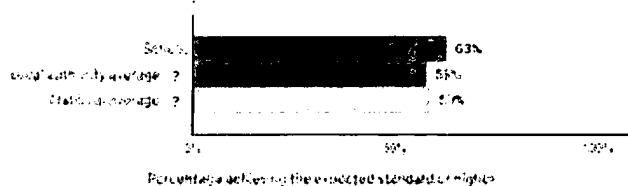
Progress in reading, writing and maths ?

Reading ?	Writing ?	Maths ?
Number of pupils = 57	Number of pupils = 57	Number of pupils = 57
Pupils with adjusted scores = 0	Pupils with adjusted scores = 0	Pupils with adjusted scores = 0
Above average 1.86	Average 1.04	Above average 2.77
Confidence interval ? 0.2 to 3.5	Confidence interval ? -2.6 to 0.5	Confidence interval ? 1.2 to 4.3

Reading, writing and maths combined

Percentage of pupils achieving the expected standard or higher ?

Number of pupils = 62



**Inspire Education Community Trust
(A Company Limited by Guarantee)**

Trustees' report for the year ended 31 August 2023 (continued)

Key Performance Indicators

City Road Primary School

Ofsted:	Good (January 2023)
Progress	In line with national averages in reading and writing; maths significantly above average (2023)
Pupil Attendance	Attendance is below the national average
Pupil Places	The school is full in most year groups

Yew Tree Community School

Ofsted:	Good (November 2022)
Progress	Significantly above average in reading and maths and in line with national average in writing (2023)
Attainment	At the end of KS2 attainment in all subjects in line with national averages (2023)
Pupil Attendance	Similar to national averages
Pupil Places	The school has a waiting list in most year groups

- Direct costs as a percentage of total costs were 65.8% (2022 : 63.4%)
- Support costs as a percentage of total costs were 34.2% (2022 : 36.6%)
- Total payroll costs as a percentage of recurring income were 75.0% (2022 : 79.3%)

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the multi 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 results of Inspire Education Community Trust are detailed in the following pages. It is considered that the finances are sound and well established. The principal financial management policies adopted are laid down by the Academy Trust Handbook published by the ESFA and requirements as laid down by the Multi Academy's Financial Handbook.

The principal funding source is grant income from the ESFA. All expenditure of this grant income is planned to fulfil the objectives and strategies of the multi academy.

During the year ended 31 August 2023 total resources expended were £6,116,530 and the deficit of income over expenditure was £336,454 which included depreciation of £256,501.

**Inspire Education Community Trust
(A Company Limited by Guarantee)**

Trustees' report for the year ended 31 August 2023 (continued)

Reserves policy

The trustees continually monitor the reserves of the charitable company. This process encompasses the nature of income and expenditure streams and the need to match commitments with income and nature of reserves.

It is the board of trustees' general policy to continue to build reserves which can be used for future educational purposes.

The multi academy had total funds at 31 August 2023 of £5,832,994 which included £711,977 restricted funds not available for general purposes of the multi academy trust, £nil of free reserves defined as unrestricted funds available for general purposes and £6,138,017 which can only be realised by the disposal of tangible fixed assets.

The balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds was a surplus of £711,977

In addition, the deficit on the restricted pension fund of £1,017,000 arises from an actuarial deficit on the local government pension scheme which will be dealt with as advised by the actuary. This will result in a cash flow effect for the academy trust in the form of an increase in employers' pension contributions over a period of years.

The trustees regularly review the level of reserves and aim to maintain them at a minimum of one month of expenditure. Budgeted expenditure for 2023/24 is £5,966k and hence the minimum target is £500k.

Investment policy

Any surplus funds are invested with **Lloyds Bank Plc** in a deposit account.

These investments are carried out in accordance with the powers vested in the board of trustees.

Principal risks and uncertainties

The trustees have considered the major risks and uncertainties facing the charitable company which include changes in legislation and regulations and cash flow management and have put in place procedures to deal with these matters.

Attention has also been focused on non-financial risks arising from fire, health and safety which includes consideration of those risks impacting on trustees' responsibilities to ensure the trust's estate is safe, well maintained and complies with relevant regulations. These risks are managed by ensuring accreditation is up to date, having robust policies in place, and regular awareness training for staff working in these operational areas.

Fundraising

The academy trust does not use any external fundraisers. All fundraising undertaken during the period was monitored by the Trustees.

**Inspire Education Community Trust
(A Company Limited by Guarantee)**

Trustees' report for the year ended 31 August 2023 (continued)

Plans for Future Periods

Inspire Education Community Trust is seeking to exploit the opportunities afforded by conversion to academy status and multi-academy status. Initially by utilising increased financial resources and governance freedoms to improve further the standard of teaching and learning but also, importantly, to improve the school estate.

Inspire Education Community Trust gained sponsor status and became the sponsor for City Road Primary School which joined the trust on 1/9/2018.

The academy trust has plans to expand and for other schools to join the trust at an appropriate time for them in their journey.

CPD and leadership capacity building are the key priorities in the development of the multi-academy trust.

Auditor

Insofar as the Trustees are aware :

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

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 11 December 2023 and signed on the board's behalf by:

.....*S. Marashli*..... Sabreen Marashli - Chair of Trustees

Inspire Education Community Trust
(A Company Limited by Guarantee)

Governance statement for the year ended 31 August 2023

Scope of Responsibility

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

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

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The **board of trustees** has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows :

Trustee	Appointment Date	Meetings Attended	Out of possible
Edaris Gaibee Chair	23/01/18	6	6
Shaukat Islam accounting officer	01/06/16	5	6
Rosamunde Lee vice-chair	01/06/16	4	6
Alison King-Harmes	22/03/18	6	6
Tanwir Hussain	13/09/18	2	5
Shamsul Arifeen	13/09/18	3	6
Christine Lane	14/02/19	4	6
Sabreen Marashli	01/09/2022	6	6
Irum Naz	05/06/2023	1	2
Bushra Khan	05/06/2023	2	2

The **finance, risk and audit committee** is a sub-committee of the main board of trustees. The purpose of the committee is to assist the decision making of the Trust, by enabling a more detailed consideration of the finances, HR and buildings related matters of schools within the Trust as well as to enable a more detailed consideration of the termly audit reports produced for each school. This meeting is conducted with the chief finance officer present so trustees can gain the information required. In addition, the committee reviews matters related to risk.

Trustee	Appointment Date	Meetings Attended	Out of possible
Alison King-Harmes chair	22/03/18	2	3
Sabreen Marashli	13/09/18	3	3
Shamsul Arifeen	13/09/18	3	3

Inspire Education Community Trust (A Company Limited by Guarantee)

Governance statement for the year ended 31 August 2023 (continued)

The board exercises its functions through TRUST Board meetings and finance, risk and audit committee meetings.

In addition, the LGBs of each school meet 3 times per year with additional link governor roles who visit schools on a termly basis.

Other committees such as pupil discipline, staff discipline or appeals committees meet as necessary.

An ongoing review of governance was undertaken during the previous year which found that:

Succession planning was a priority at both the Trust board level and on the local governing bodies; recruitment has, therefore, been prioritised as a result.

The trust intends to conduct its next self-evaluation/external review by July 2024.

Conflicts of interest

An up-to-date register of interests is maintained and is also published on the Trust's website; this is referred to at the beginning of the Trust meetings as well as trustees declaring interests at each meeting.

Review of value for money

As accounting officer, the Chief Executive Officer has responsibility for ensuring that the multi 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 Multi Academy Trust has delivered improved value for money during the year by :

- A strong team culture and effective staff deployment including the use of pupil premium has a positive impact on pupil progress
- Efficient use of time and resources through collaborative planning and resourcing
- CPD opportunities have been enhanced for all staff through Yew Tree Community School's role as a 'Talk for Writing' training school and involvement in the national Talk for Writing network.

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 the multi academy trust's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Inspire Education Community Trust for the year 1 September 2022 to 31 August 2023 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 multi 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 multi academy trust's significant risks that has been in place for the year 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

Inspire Education Community Trust
(A Company Limited by Guarantee)

Governance statement for the year ended 31 August 2023 (continued)

The Risk and Control Framework

(the following section to be tailored to the particular circumstances of the trust)

The multi 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;
- identification and management of risks.

The board of trustees has decided :

to buy-in an internal audit service from S4S with a Service Level Agreement which provides 3 internal audits per year.

This option has been chosen because a strong system of internal control is vital to ensure our academy trust thrives. A robust system of internal control gives management and governance assurance over:

- Safeguarding of assets
- Delivery of value for money
- Risks of financial malpractice
- Risks of inappropriate use of funds

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

Core transactional testing covering the following areas:

- Payroll
- Purchases
- Contracts
- Capital contracts
- Income
- Expense Claims
- Petty Cash
- Accounting System
- Reporting

Purchasing including Tendering

HR & Payroll (spot checks and process review spread over whole period)

Cash Control including Bank Reconciliation

Income

Capital funding/projects

Business Interests

VAT & Taxations

Budgeting

Accounting records and systems

Statutory Reporting

Risk management

Budget preparation processes and procedures

Related party transactions

ESFA returns

**Inspire Education Community Trust
(A Company Limited by Guarantee)**

Governance statement for the year ended 31 August 2023 (continued)

Term1 Internal Audit

Core financial transactional testing covering the following areas:

Purchases

- Purchases
- Income
- Contracts
- ESFA GAG funding
- Capital Income
- Payroll
- Accounting System
- Reporting

Term 2 Internal Audit

The areas of testing and focus of the scrutiny review were:

- Recruitment Policy of Inspire Education Community Trust
- Equality Policy of Inspire Education Community Trust
- Recruitment checklist
- Pre-recruitment activities: compilation of prepared job description, person specification, and any other documents provided to candidates & draft advertisement
- Application form - does it include all relevant information/pertinent statements etc
- Advertisements – reference to safeguarding
- Shortlisting processes
- References – receipt and checking, clarification with referees and /or candidate if any issues are identified, electronic references are verified as from a legitimate source
- Interviews – evidence of exploring a candidate's suitability to work with children and young people and requirements for the post
- Self-disclosure of criminal history or issues of suitability
- Post recruitment checks –to include identity and right to work, birth certificate, qualifications, pre-employment medical checks, DBS etc
- Conditional offer of appointment

Term 3

- Cash Control including Bank Reconciliation
- Income
- Capital funding/projects

On a termly basis the chief finance officer reports to the board of trustees, through the finance, audit and risk committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities and annually prepares a summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

**Inspire Education Community Trust
(A Company Limited by Guarantee)**

Governance statement for the year ended 31 August 2023 (continued)

Review of Effectiveness

As accounting officer, Shaukat Islam (the chief executive officer) has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor
- the work of the external auditor;
- the financial management and governance self-assessment process of the school resource management self-assessment tool;
- the work of the executive managers within the multi academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance, audit and risk 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 11 December 2023 and signed on its behalf by:



Sabreen Marashli
Chair of Trustees



Shaukat Islam
Accounting Officer

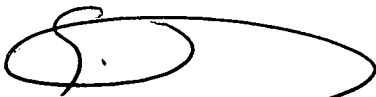
**Inspire Education Community Trust
(A Company Limited by Guarantee)**

**Statement of regularity, propriety and compliance
for the period ended 31 August 2023**

As accounting officer of Inspire Education Community Trust, I have considered my responsibility to notify the multi academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement between the multi academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2022, including responsibilities for estates safety and management.

I confirm that I and the multi academy trust board of trustees are able to identify any material irregular or improper use of funds by the multi academy trust, or material non-compliance with the terms and conditions of funding under the multi academy trust's funding agreement and the Academy Trust Handbook 2022.

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.



..... Shaukat Islam – Accounting Officer

11 December 2023

Inspire Education Community Trust
(A Company Limited by Guarantee)

Statement of Trustees' responsibilities
for the period ended 31 August 2023

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 and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 11 December 2023 and signed on its behalf by:

.....S. Marashli..... Sabreen Marashli – Chair of Trustees

**Inspire Education Community Trust
(A Company Limited by Guarantee)**

**Independent Auditor's Report on the Financial Statements to the Members of
Inspire Education Community Trust**

Opinion

We have audited the financial statements of Inspire Education Community Trust (the 'multi academy trust') for the year to 31 August 2023 which comprise the Statement of Financial Activities, 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 and 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 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the financial statements :

- give a true and fair view of the state of the multi academy trust's affairs as at 31 August 2023, and of its incoming resources and application of resources, including its income and expenditure, for the period 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, the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency

Basis for opinion

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

Conclusions relating to going concern

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

- Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the multi academy trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.
- Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Inspire Education Community Trust
(A Company Limited by Guarantee)

Independent Auditor's Report on the Financial Statements to the Members of Inspire Education Community Trust
(continued)

Other information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 matter 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 (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Multi Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' 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
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Inspire Education Community Trust
(A Company Limited by Guarantee)

Independent Auditor's Report on the Financial Statements to the Members of Inspire Education Community Trust
(continued)

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement [set out on page 18], 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 the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We reviewed the multi academy trust's control and risk management procedures and planned our work based on our assessment of those controls and procedures;
- This review included an assessment of the risk of material misstatement due to errors, fraud and management override of controls for all material areas in the financial statements;
- We made enquiries of management and the multi academy trust's lawyers regarding any actual or potential litigation and/or claims;
- Financial statements disclosures were reviewed and checked for compliance with applicable laws;
- Detailed testing was conducted on balances and transactions including unusual items and those of individual significance to the financial statements;
- Data analytics were used in order to identify unusual or significant trends;
- Communications with management and those charged with governance regarding relevant matters was undertaken throughout the audit and on completion.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's internal control.

**Inspire Education Community Trust
(A Company Limited by Guarantee)**

**Independent Auditor's Report on the Financial Statements to the Members of Inspire Education
Community Trust
(continued)**

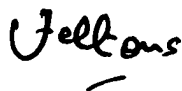
Auditor's responsibilities for the audit of the financial statements (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the multi academy trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable 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 multi academy trust and the multi academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.



David W Farnsworth FCA (Senior Statutory Auditor)

For and on behalf of Feltons, Statutory Auditor
8 Sovereign Court
8 Graham Street
Birmingham B1 3JR

19 December 2023

Inspire Education Community Trust
(A Company Limited by Guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to Inspire Education Community Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 30 March 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Inspire Education Community Trust during the year 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Inspire Education Community Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Inspire Education Community Trust's funding agreement with the Secretary of State for Education dated 26 May 2016 and the Academy Trust Handbook, extant from 1 September 2022, 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 2022 to 2023. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2022 to 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The work undertaken to draw our conclusion includes :

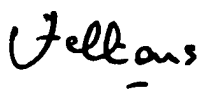
- Consideration of the applicable legislation and the multi academy trust's funding agreement
- Review and evaluation of the Multi Academy Trust's system of internal controls
- Examination and assessment of the Accounting Officer's statement on Regularity, Propriety and Compliance
- Examination, on a test basis, of third party evidence supporting income and expenditure
- Review of exceptional and unusual items

Inspire Education Community Trust
(A Company Limited by Guarantee)

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

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 year 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



David W Farnsworth FCA (Reporting Accountant)

For and on behalf of Feltons, Statutory Auditor

8 Sovereign Court

8 Graham Street

Birmingham B1 3JR

19 December 2023

Inspire Education Community Trust
(A Company Limited by Guarantee)

Statement of financial activities for the year ended 31 August 2023
(including income and expenditure account)

	Notes	Unrestricted funds £	Restricted pension fund £	Restricted general funds £	Restricted fixed asset funds £	Total 2022/23 £	Total 2021/22 £
Income from :							
Donations and capital grants	2	-	-	-	55,551	55,551	32,375
Charitable activities :	3						
Funding for the academy trust's educational operations		92,445	-	5,621,813	-	5,714,258	5,335,518
Other trading activities	4	9,450	-	-	-	9,450	7,800
Investments	5	817	-	-	-	817	126
Total		102,712	-	5,621,813	55,551	5,780,076	5,375,819
Expenditure on :							
Charitable activities:							
Academy trust educational operations	6, 7	102,712	19,000	5,738,317	256,501	6,116,530	5,474,889
Total		102,712	19,000	5,738,317	256,501	6,116,530	5,474,889
Net income/(expenditure) before transfers		-	(19,000)	(116,504)	(200,950)	(336,454)	(99,070)
Transfers between funds	15	-	-	(9,562)	9,562	-	-
Net income/(expenditure) after transfers		-	(19,000)	(126,066)	(191,388)	(336,454)	(99,070)
Other recognised gains/(losses)							
Actuarial gains on defined benefit pension schemes	15, 25	-	1,589,000	-	-	1,589,000	4,821,000
Net movement in funds		-	1,570,000	(126,066)	(191,388)	1,252,546	4,721,930
Reconciliation of funds							
Total funds brought forward	15	-	(2,587,000)	838,043	6,329,405	4,580,448	(141,482)
Total funds carried forward		-	(1,017,000)	711,977	6,138,017	5,832,994	4,580,448

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

All of the multi academy trust's activities derive from continuing operations during the above two financial periods.

Inspire Education Community Trust
(A Company Limited by Guarantee)

Company number : 10155032

Balance sheet as at 31 August 2023

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Tangible assets	12		6,138,017		6,326,881
Current assets					
Debtors	13	281,877		158,164	
Cash at bank and in hand		<u>992,455</u>		<u>2,460,937</u>	
		1,274,332		2,619,101	
Liabilities					
Creditors: amounts falling due within one year	14(a)	<u>537,451</u>		<u>1,744,397</u>	
Net current assets			736,881		874,704
Total assets less current liabilities			<u>6,874,898</u>		<u>7,201,585</u>
Creditors: amounts falling due after more than one year	14(b)		(24,904)		(34,137)
Net assets excluding pension liability			<u>6,849,994</u>		<u>7,167,448</u>
Defined benefit pension scheme liability	25		(1,017,000)		(2,587,000)
Total net assets			<u><u>5,832,994</u></u>		<u><u>4,580,448</u></u>
Funds of the academy trust :					
Restricted funds					
Fixed asset fund	15	6,138,017		6,329,405	
Restricted income fund	15	711,977		838,043	
Pension reserve	15	<u>(1,017,000)</u>		<u>(2,587,000)</u>	
Total restricted funds			5,832,994		4,580,448
Unrestricted income funds	15		-		-
Total funds			<u><u>5,832,994</u></u>		<u><u>4,580,448</u></u>

The financial statements on pages 25 to 46 were approved by the trustees, and authorised for issue on 11 December 2023 and are signed on their behalf by:

S. Marashli Sabreen Marashli - Chair of Trustees

Inspire Education Community Trust
(A Company Limited by Guarantee)

Statement of cash flows for the year ended 31 August 2023

	Notes	2022/23 £	2021/22 £
Cash flows from operating activities			
Net cash (used in) / provided by operating activities	19	(1,450,230)	1,990,296
Cash flows from investing activities	20	(11,269)	(24,444)
Cash flows from financing activities	21	(6,983)	(3,492)
		<u>(1,468,482)</u>	<u>1,962,360</u>
Cash and cash equivalents at 1 September 2022		2,460,937	498,577
Cash and cash equivalents at 31 August 2023	22	<u>992,455</u>	<u>2,460,937</u>

Inspire Education Community Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2023

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.

1.1 Basis of preparation

The financial statements of the multi academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the 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 multi academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the multi academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Income

All incoming resources are recognised when the multi 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 year is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

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

- **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 Education Community Trust
(A Company Limited by Guarantee)**

Notes to the financial statements for the year ended 31 August 2023 (continued)

1. Accounting policies (continued)

1.3 Income (continued)

- **Other income**
Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the multi 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 'Stocks' and 'Income from Other Trading Activities'. Upon sale, the value of the stock is charged against 'Income from Other Trading Activities' and the proceeds are recognised as 'Income from Other Trading Activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from Other Trading Activities'.
- **Donated fixed assets**
Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the multi academy trust's accounting policies.

1.4 Expenditure

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

- **Expenditure on raising funds**
This includes all expenditure incurred by the multi academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.
- **Charitable activities**
These are costs incurred on the multi academy trust's educational operations, including support costs and costs relating to the governance of the multi academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Inspire Education Community Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2023 (continued)

1. Accounting policies (continued)

1.5 Tangible fixed assets (continued)

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

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

Leasehold land and buildings	- straight line over 50 years
Furniture and equipment	- 12.5% reducing balance
Computer hardware	- 25% straight line

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

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

1.6 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered.

1.7 Cash at bank and in hand

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

1.8 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 Education Community Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2023 (continued)

1. Accounting policies (continued)

1.9 Financial instruments

The academy trust only holds basic financial instruments as defined by 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. Prepayments are not financial instruments.

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

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

1.10 Leased assets

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

1.11 Taxation

The multi 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 multi 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.

1.12 Pension benefits

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

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary 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.

Inspire Education Community Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2023 (continued)

1. Accounting policies (continued)

1.12 Pension benefits (continued)

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

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

1.13 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the multi 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 Education and Skills Funding Agency or Department for Education.

1.14 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.

The multi 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, which are disclosed in note 25, 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 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. 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.

Inspire Education Community Trust
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Notes to the financial statements for the year ended 31 August 2023 (continued)

2. Donations and capital grants

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	2022/23 Total £	2021/22 Total £
Capital grants	-	-	55,551	55,551	17,775
Donated fixed assets	-	-	-	-	14,500
Other donations	-	-	-	-	100
	<u>-</u>	<u>-</u>	<u>55,551</u>	<u>55,551</u>	<u>32,375</u>
2022 total	<u>100</u>	<u>-</u>	<u>32,275</u>	<u>32,375</u>	

3. Funding for the multi academy trust's educational operations

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	2022/23 Total £	2021/22 Total £
DfE/ESFA grants					
General Annual Grant (GAG)	-	4,160,359	-	4,160,359	4,061,080
Other DfE/ESFA grants					
Pupil premium	-	487,755	-	487,755	89,581
UFSM	-	98,450	-	98,450	445,693
Supplementary grant	-	119,062	-	119,062	28,290
Mainstream schools grant	-	58,814	-	58,814	-
Others	-	108,081	-	108,081	107,995
	<u>-</u>	<u>5,032,521</u>	<u>-</u>	<u>5,032,521</u>	<u>4,732,639</u>
Other government grants					
Local authority grants	-	539,702	-	539,702	465,044
	<u>-</u>	<u>539,702</u>	<u>-</u>	<u>539,702</u>	<u>465,044</u>
Other income from the academy trust's educational operations	92,445	-	-	92,445	91,580
Covid-19 additional funding (DfE/ESFA)					
Recovery premium	-	49,590	-	49,590	46,255
	<u>92,445</u>	<u>589,292</u>	<u>-</u>	<u>681,737</u>	<u>602,879</u>
	<u>92,445</u>	<u>5,621,813</u>	<u>-</u>	<u>5,714,258</u>	<u>5,335,518</u>
2022 total	<u>91,580</u>	<u>5,243,938</u>	<u>-</u>	<u>5,335,518</u>	

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Notes to the financial statements for the year ended 31 August 2023 (continued)

4. Other trading activities

	Unrestricted funds £	Restricted funds £	2022/23 Total £	2021/22 Total £
Hire of facilities	9,450	-	9,450	7,800
2022 total	7,800	-	7,800	

5. Investment income

	Unrestricted funds £	Restricted funds £	2022/23 Total £	2021/22 Total £
Short term deposits	817	-	817	126
2022 total	126	-	126	

6. Expenditure

	Staff costs £	Non pay expenditure Premises £	Other £	2022/23 Total £	2021/22 Total £
Academy's educational operations					
Direct costs	3,256,571	167,064	585,096	4,008,731	3,469,967
Allocated support costs	1,077,209	535,775	475,010	2,087,994	2,004,922
	<u>4,333,780</u>	<u>702,839</u>	<u>1,060,106</u>	<u>6,096,725</u>	<u>5,474,889</u>
2022 total	4,260,844	564,501	649,544	5,474,889	

Net income/(expenditure) for the period includes :

		2022/23 £	2021/22 £
Operating leases	- plant and machinery	2,475	2,475
Depreciation		256,501	268,630
Fees payable to auditor	- audit	<u>13,350</u>	<u>12,200</u>

7. Charitable activities

	Unrestricted funds £	Restricted pension fund £	Other restricted funds £	2022/23 Total £	2021/22 Total £
Educational operations					
Direct costs					
Educational operations	33,521	-	3,975,210	4,008,731	3,469,967
Support costs					
Educational operations	69,191	19,000	2,019,608	2,107,799	2,004,922
	<u>102,712</u>	<u>19,000</u>	<u>5,994,818</u>	<u>6,116,530</u>	<u>5,474,889</u>
2022 total	99,606	292,000	5,083,283	5,474,889	

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Notes to the financial statements for the year ended 31 August 2023 (continued)

7. Charitable activities (continued)

Analysis of support costs

	Educational operations £	2022/23 Total £	2021/22 Total £
Support staff costs	1,077,209	1,077,209	1,208,953
Depreciation	89,437	89,437	107,452
Premises costs	430,774	430,774	273,844
Other support costs	490,574	490,574	395,243
Governance costs	19,805	19,805	19,430
Total support costs	2,107,799	2,107,799	2,004,922
2022 total	2,004,922	2,004,922	

8. Staff

a) Staff costs

Staff costs during the year were:

	2022/23 £	2021/22 £
Wages and salaries	3,206,798	2,660,688
Social security costs	288,147	247,741
Pension costs	776,257	976,590
	4,271,202	3,885,019
Agency staff costs	47,354	363,897
Staff restructuring costs	15,224	11,928
	4,333,780	4,260,844
Staff restructuring costs comprise :		
Severance payments	15,224	11,928
	15,224	11,928

b) Severance payments

The academy trust paid two severance payments in the year, disclosed in the following bands:

	2022/23 Number	2021/22 Number
£0 - £25,000	2	2

c) Special staff severance payments

Included in staff restructuring costs are special severance payments totalling £15,224 (2022 : £11,928). Individually, the payments were: £3,000 and £12,224.

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Notes to the financial statements for the year ended 31 August 2023 (continued)

8. Staff (continued)

d) Staff numbers

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

	2022/23 Number	2021/22 Number
Teachers	41	45
Administration and support	97	88
Management	14	13
	<u>152</u>	<u>146</u>

e) Higher paid staff

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

	2022/23 Number	2021/22 Number
£60,001 - £70,000	1	1
£70,001 - £80,000	1	1
£90,001 - £100,000	<u>1</u>	<u>1</u>

f) Key management personnel

The key management personnel of the multi 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 multi academy trust was £1,023,200 (2022: £924,309)

9. Central services

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

Category	Basis
Yew Tree Community School	1% of GAG income
City Road Primary School	1% of GAG income

The actual amounts charged during the year were as follows :

	2022/23 £	2021/22 £
Yew Tree Community School	36,348	21,183
City Road Primary School	<u>35,255</u>	<u>19,428</u>
	<u>71,603</u>	<u>40,611</u>

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Notes to the financial statements for the year ended 31 August 2023 (continued)

10. Related Party Transactions - Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from employment with the multi 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 :

Shaukat Islam (CEO/Accounting Officer and Trustee)

Remuneration	£95,000 - £100,000 (2022 : £95,000 - £100,000)
Employer's pension contributions paid	£20,000 - £25,000 (2022 : £20,000 - £25,000)

There were no travel and subsistence expenses paid to any trustee of Inspire Education Community Trust during the current or previous year.

Other related party transactions involving the trustees are set out in note 26.

11. Trustees' and officers' insurance

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

12. Tangible fixed assets

	Leasehold land and buildings £	Furniture and equipment £	Computer hardware £	Total £
Cost or valuation				
At 1 September 2022	6,639,181	671,619	308,680	7,619,480
Additions	-	52,393	15,244	67,637
At 31 August 2023	6,639,181	724,012	323,924	7,687,117
Depreciation				
At 1 September 2022	710,716	348,379	233,504	1,292,599
Charge for the year	132,792	87,202	36,507	256,501
At 31 August 2023	843,508	435,581	270,011	1,549,100
Net book values				
At 31 August 2023	5,795,673	288,431	53,913	6,138,017
At 31 August 2022	5,928,465	323,240	75,176	6,326,881

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Notes to the financial statements for the year ended 31 August 2023 (continued)

13. Debtors	2023	2022
	£	£
Debtors from operations	-	1,250
VAT recoverable	24,196	22,547
Prepayments and accrued income	257,681	134,367
	<u>281,877</u>	<u>158,164</u>

14. Creditors	2023	2022
	£	£
(a) Amounts falling due within one year :		
Creditors from operations	-	26,186
Accruals and deferred income	238,579	219,605
Loans	6,983	4,733
Other creditors	291,889	1,493,873
	<u>537,451</u>	<u>1,744,397</u>
Deferred income		
Deferred income at 1 September 2022	53,157	55,502
Resources deferred in the year	60,290	53,157
Amounts released from previous years	(53,157)	(55,502)
Deferred income at 31 August 2023	<u>60,290</u>	<u>53,157</u>

At the balance sheet date the multi academy trust was holding ESFA funds received in advance for the provision of universal infant free school meals.

Other creditors due within one year are three Salix loans of £6,983 (2022 : £4,733). Details in regards to repayment terms and interest payable are detailed in note 14(b).

(b) Amounts falling due after more than one year :		
Loans	24,904	34,137
	<u>24,904</u>	<u>34,137</u>

Other creditors due after more than one year represent three Salix loans of £24,904 (2022 : £37,629). One loan is to be repaid half yearly in 9 instalments over 4 years and the other two loans are to be repaid half yearly in 13 instalments over 7 years. The amount repayable over five years for these loans is £3,723 (2022: £7,446). None of these loans have any interest to pay.

Inspire Education Community Trust
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Notes to the financial statements for the year ended 31 August 2023 (continued)

15. Funds

	Balance at 1 September 2022 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2023 £
Restricted general funds					
General Annual Grant (GAG)	838,043	4,160,359	(4,276,863)	(9,562)	711,977
UIFSM	-	98,450	(98,450)	-	-
Pupil premium	-	487,755	(487,755)	-	-
Recovery premium	-	49,590	(49,590)	-	-
Other grants	-	825,659	(825,659)	-	-
	<u>838,043</u>	<u>5,621,813</u>	<u>(5,738,317)</u>	<u>(9,562)</u>	<u>711,977</u>
Restricted fixed asset funds					
Transfer on conversion	2,270,409	-	(63,699)	-	2,206,710
Transfer into trust	3,402,919	-	(38,417)	-	3,364,502
DfE Group capital grants	390,699	55,551	(107,736)	-	338,514
Capital expenditure from GAG	241,203	-	(36,374)	9,562	214,391
Donations	24,175	-	(10,275)	-	13,900
	<u>6,329,405</u>	<u>55,551</u>	<u>(256,501)</u>	<u>9,562</u>	<u>6,138,017</u>
Pension reserve	<u>(2,587,000)</u>	<u>-</u>	<u>(19,000)</u>	<u>1,589,000</u>	<u>(1,017,000)</u>
Total restricted funds	<u>4,580,448</u>	<u>5,677,364</u>	<u>(6,013,818)</u>	<u>1,589,000</u>	<u>5,832,994</u>
Unrestricted funds					
Other income	-	102,712	(102,712)	-	-
Total unrestricted funds	<u>-</u>	<u>102,712</u>	<u>(102,712)</u>	<u>-</u>	<u>-</u>
Total funds	<u>4,580,448</u>	<u>5,780,076</u>	<u>(6,116,530)</u>	<u>1,589,000</u>	<u>5,832,994</u>

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

Restricted general funds

These comprise all restricted funds other than restricted fixed asset funds and include grants from The Education and Skills Funding Agency and Birmingham City Council.

Under the funding agreement with the Secretary of State, the multi academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2023.

Unrestricted funds

These comprise resources that may be used towards meeting any of the charitable objects of the multi academy trust at the discretion of the trustees.

Restricted fixed asset funds

These comprise resources which are to be applied to specific capital purposes imposed by the ESFA and Birmingham City Council where the asset acquired or created is held for a specific purpose.

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Notes to the financial statements for the year ended 31 August 2023 (continued)

15. Funds (continued)

Comparative information in respect of the preceding period is as follows :	Balance at 1 September 2021 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2022 £
Restricted general funds					
General Annual Grant (GAG)	425,756	4,061,080	(3,631,795)	(16,998)	838,043
UIFSM	-	89,581	(89,581)	-	-
Pupil premium	-	445,693	(445,693)	-	-
Recovery premium	-	46,255	(46,255)	-	-
Other grants	-	601,329	(601,329)	-	-
	<u>425,756</u>	<u>5,243,938</u>	<u>(4,814,653)</u>	<u>(16,998)</u>	<u>838,043</u>
Restricted fixed asset funds					
Transfer on conversion	2,334,108	-	(63,699)	-	2,270,409
Transfer into trust	3,447,186	-	(44,267)	-	3,402,919
DfE Group capital grants	483,213	17,775	(110,289)	-	390,699
Capital expenditure from GAG	264,305	-	(40,100)	16,998	241,203
Donations	19,950	14,500	(10,275)	-	24,175
	<u>6,548,762</u>	<u>32,275</u>	<u>(268,630)</u>	<u>16,998</u>	<u>6,329,405</u>
Pension reserve	<u>(7,116,000)</u>	<u>-</u>	<u>(292,000)</u>	<u>4,821,000</u>	<u>(2,587,000)</u>
Total restricted funds	<u>(141,482)</u>	<u>5,276,213</u>	<u>(5,375,283)</u>	<u>4,821,000</u>	<u>4,580,448</u>
Unrestricted funds					
Other income	-	99,606	(99,606)	-	-
Total unrestricted funds	<u>-</u>	<u>99,606</u>	<u>(99,606)</u>	<u>-</u>	<u>-</u>
Total funds	<u>(141,482)</u>	<u>5,375,819</u>	<u>(5,474,889)</u>	<u>4,821,000</u>	<u>4,580,448</u>

Total funds analysis by academy

	2022/23 Total £	2021/22 Total £
Fund balances at 31 August 2023 were allocated as follows :		
Yew Tree Community School	630,141	632,588
City Road Primary School	56,369	192,617
Trust	25,467	12,838
Total before fixed assets and pension reserve	<u>711,977</u>	<u>838,043</u>
Restricted fixed asset fund	6,138,017	6,329,405
Pension reserve	<u>(1,017,000)</u>	<u>(2,587,000)</u>
Total funds	<u>5,832,994</u>	<u>4,580,448</u>

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Notes to the financial statements for the year ended 31 August 2023 (continued)

15. Funds (continued)

Total cost analysis by academy

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

	Teaching & educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs (excluding depreciation) £	Total 2022/23 £
Yew Tree Community School	1,835,500	544,951	280,213	579,181	3,239,845
City Road Primary School	1,421,071	532,258	180,810	480,285	2,614,424
Trust	-	-	-	5,760	5,760
Academy trust	3,256,571	1,077,209	461,023	1,065,226	5,860,029
2022 total	3,051,891	1,208,953	103,092	842,323	5,206,259

16. Analysis of net assets between funds

Fund balances at 31 August 2023 are represented by:

	Unrestricted funds £	Restricted pension funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	-	6,138,017	6,138,017
Current assets	-	-	1,274,332	-	1,274,332
Current liabilities	-	-	(537,451)	-	(537,451)
	-	-	736,881	6,138,017	6,874,898
Creditors due after one year	-	-	(24,904)	-	(24,904)
Pension scheme liability	-	(1,017,000)	-	-	(1,017,000)
Total net assets	-	(1,017,000)	711,977	6,138,017	5,832,994

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

	Unrestricted funds £	Restricted pension funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	-	6,326,881	6,326,881
Current assets	-	-	2,616,577	2,524	2,619,101
Current liabilities	-	-	(1,744,397)	-	(1,744,397)
	-	-	872,180	6,329,405	7,201,585
Creditors due after one year	-	-	(34,137)	-	(34,137)
Pension scheme liability	-	(2,587,000)	-	-	(2,587,000)
Total net assets	-	(2,587,000)	838,043	6,329,405	4,580,448

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Notes to the financial statements for the year ended 31 August 2023 (continued)

17. Capital commitments

There were no capital commitments at 31 August 2023 nor at 31 August 2022.

18. Commitments under operating leases

At 31 August 2023 the total of the multi academy trust's future minimum lease payments under non-cancellable operating leases was:

	Total 2023 £	Total 2022 £
Amounts due within one year	6,000	2,475
Amounts due between one and five years	22,500	450
	<u>28,500</u>	<u>2,925</u>

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

	2022/23 Total £	2021/22 Total £
Net income/(expenditure) for reporting year (as per the SoFA)	(336,454)	(99,070)
Adjusted for :		
Depreciation (note 12)	256,501	268,630
Capital grants from DfE and other capital income	(55,551)	(17,775)
Donated fixed assets	-	(14,500)
Interest receivable (note 5)	(817)	(126)
Defined benefit pension scheme cost less contributions payable (note 25)	(89,000)	172,000
Defined benefit pension scheme finance cost (note 25)	108,000	120,000
(Increase) / decrease in debtors	(123,713)	19,549
(Decrease) / increase in creditors	(1,209,196)	1,541,588
Net cash (used in) / provided by operating activities	<u>(1,450,230)</u>	<u>1,990,296</u>

20. Cash flows from investing activities

	2022/23 Total £	2021/22 Total £
Interest received	817	126
Purchase of tangible fixed assets	(67,637)	(42,345)
Capital grants from DfE Group	55,551	17,775
Net cash used in investing activities	<u>(11,269)</u>	<u>(24,444)</u>

21. Cash flows from financing activities

	2022/23 Total £	2021/22 Total £
Loan repayments in period	(6,983)	(3,492)
Net cash used in financing activities	<u>(6,983)</u>	<u>(3,492)</u>

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Notes to the financial statements for the year ended 31 August 2023 (continued)

22. Analysis of cash and cash equivalents

	At 31 August 2023 £	At 31 August 2022 £
Cash at bank and in hand	992,455	2,460,937
	<u>992,455</u>	<u>2,460,937</u>

23. Analysis of changes in net debt

	At 31 August 2022 £	Cash flows £	Other non-cash changes £	At 31 August 2023 £
Cash at bank and in hand	2,460,937	(1,468,482)	-	992,455
Loans falling due within one year	(4,733)	(2,250)	-	(6,983)
Loans falling due after more than one year	(34,137)	9,233	-	(24,904)
	<u>2,422,067</u>	<u>(1,461,499)</u>	<u>-</u>	<u>960,568</u>

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.

25. Pension and similar obligations

The multi 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 West Midlands Pension Fund. Both are multi-employer defined-benefit schemes.

The latest actuarial valuation of the TPS related to the year ended 31 March 2016 and of the LGPS 31 March 2022.

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

Teachers' Pension Scheme

Introduction

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

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

Notes to the financial statements for the year ended 31 August 2023 (continued)

25. Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every four years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are :

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the year amounted to £394,661 (2022 : £367,424).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £414,000 (2022 : £368,000), of which employer's contributions totalled £353,000 (2022 : £321,000) and employees' contributions totalled £61,000 (2022 : £47,000). The agreed contribution rates for future years are 35.1% for employers and between 5.5% and 6.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

The trustees have agreed that the trust will make additional contributions in addition to normal funding levels over the next 23 years.

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Notes to the financial statements for the year ended 31 August 2023 (continued)

25. Pension and similar obligations (continued)

Principal actuarial assumptions

	At 31 August 2023	At 31 August 2022
Rate of increase in salaries	4.00%	4.05%
Rate of increase for pensions in payment / inflation	3.00%	3.05%
Discount rate for scheme liabilities	5.20%	4.25%
Inflation assumption (CPI)	3.00%	3.05%
Commutation of pensions to lump sums	50.00%	50.00%

Sensitivity analysis

	At 31 August 2023 £'000s	At 31 August 2022 £'000s
Discount rate +0.1%	(122)	(155)
Discount rate -0.1%	122	155
Mortality assumption 1 year increase	105	125
Mortality assumption 1 year decrease	(105)	(125)
CPI rate +0.1%	216	272
CPI rate -0.1%	(216)	(272)

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

	At 31 August 2023	At 31 August 2022
Retiring today		
Males	20.6	21.2
Females	23.6	23.6
Retiring in 20 years		
Males	20.5	22.9
Females	24.5	25.4

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

	31 August 2023 £	31 August 2022 £
Equities	2,972,000	2,819,000
Bonds	918,000	883,000
Property	306,000	337,000
Cash	175,000	168,000
Total market value of assets	4,371,000	4,207,000

The actual negative return on scheme assets was 1.2% (2022 : negative 3.3%).

	2022/23 £	2021/22 £
Amount recognised in the statement of financial activities		
Current service cost	264,000	493,000
Interest income	(62,000)	(71,000)
Interest cost	170,000	191,000
Total amount recognised in the SOFA	372,000	613,000

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Notes to the financial statements for the year ended 31 August 2023 (continued)

25. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	2022/23	2021/22
	£	£
At 1 September 2022	6,794,000	11,162,000
Current service cost	264,000	493,000
Interest cost	294,000	191,000
Employee contributions	61,000	47,000
Actuarial gains/(losses) - financial assumptions	(1,445,000)	(4,999,000)
Actuarial gains/(losses) - demographic assumptions	(442,000)	(35,000)
Actuarial gains/(losses) - experience gains/losses	(67,000)	14,000
Benefits paid	(71,000)	(79,000)
At 31 August 2023	5,388,000	6,794,000

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

	2022/23	2021/22
	£	£
At 1 September 2022	4,207,000	4,046,000
Interest income	186,000	71,000
Return on assets less interest	(237,000)	(199,000)
Employer contributions	353,000	321,000
Employee contributions	61,000	47,000
Benefits paid net of transfers in	(71,000)	(79,000)
Actuarial gains/(losses) - experience gains/losses	(128,000)	-
At 31 August 2023	4,371,000	4,207,000
Net pension scheme liability	(1,017,000)	(2,587,000)

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.

No related party transactions took place in the year of account other than certain trustees' remuneration and expenses already disclosed in note 10.