

**INSPIRING PRIMARIES ACADEMY TRUST**  
(A Company Limited by Guarantee)

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**INSPIRING PRIMARIES ACADEMY TRUST**  
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**REFERENCE AND ADMINISTRATIVE DETAILS**

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<b>Members</b>	Rev. R Worsfold H K Christie Bishop M Snow G E Read The Diocese of Leicester Education Trust – represented by C Lewis
<b>Trustees</b>	G E Read, Chair of Trustees M E Sandford, Chief Executive Officer P Bell K A Campbell J R G Taylor M De Middelaer S J Robson R Howes R Keenan J Clarke (resigned 15 September 2020)
<b>Company registered number</b>	08540699
<b>Company name</b>	Inspiring Primaries Academy Trust
<b>Principal and registered office</b>	Church Lane Gilmorton Lutterworth Leicestershire LE17 5EU
<b>Senior management team</b>	M E Sandford, Chief Executive Officer M Nichols, Chief Financial Officer E Prokipczuk, Executive Principal A Watson, Executive Principal M Howard, Executive Headteacher H Maher, Headteacher V Njorge, Headteacher
<b>Independent auditors</b>	Magma Audit LLP Chartered Accountants Unit 2, Charnwood Edge Business Park System Road Cossington Leicestershire LE7 4UZ

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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

During the year ending 31 August 2020, Inspiring Primaries Academy Trust consisted of the following Academies in South and West Leicestershire: All Saints CE Primary School in Sapcote, Claybrooke Primary School, Dunton Bassett Primary School, Gilmorton Chandler CE Primary School, John Wycliffe Primary School, Sharnford CE Primary School, St Margaret's CE Primary School in Stoke Golding, St Mary's CE Primary School in Bitteswell and Ullesthorpe CE Primary School.

The Academy Trust operates 9 primary academies in Leicestershire. Its Academies have a combined pupil capacity of 1,540 and had a roll of 1,396 in September 2019.

**Structure, governance and management**

• **Constitution**

The Academy Trust is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the Academy Trust.

The Trustees of Inspiring Primaries Academy Trust are also the directors of the charitable company for the purposes of company law.

Details of the Trustees who served during the , 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 practice the school has purchased insurance to protect the Trustees and officers from claims arising from negligent acts, errors or omissions whilst on school business. The cover under the policy is £3 million and in the year under review the sum of £1,177 paid in premiums.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Structure, governance and management (continued)**

• **Method of recruitment and appointment or election of Trustees**

Trustees are appointed in accordance with the company's Articles of Association. The Academy Trust shall have the following Trustees:

The Members (named in the Reference and Administration Details on Page 1) shall appoint a minimum of five trustees. The Chief Executive Officer (CEO) shall be treated for all purposes as being an Ex Officio Trustee. A minimum of two Parent Trustees shall be appointed if no Local Governing Bodies are appointed. Parent Trustees shall be elected by the parents of registered pupils at the Academies and each must be a parent at the time when he/she is elected or appointed.

The term of office for any Trustee (other than co opted Trustees) shall be four years, save that this time limit shall not apply to the CEO. Subject to remaining eligible to be a particular type of trustee, any Trustee may be re appointed or re elected.

• **Policies adopted for the induction and training of Trustees**

The training for each new Trustee will depend on their existing experience. Where necessary, induction will include relevant training on key aspects of their roles and responsibilities either in house or through external providers as appropriate. New Trustees will be given the opportunity to meet in the various academies of the Trust and to meet with key staff. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, risk registers and development plans that they will need to undertake their roles.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Structure, governance and management (continued)**

• **Organisational structure**

The governance and management of the Trust comprises the following elements:

Members are ultimately responsible for: signing off the Annual Report and Accounts; the appointment and removal of Trustees; and agreeing amendments to the Articles of Association and Funding Agreement.

Trustees are responsible for the effective management and performance of the Trust. The Trustees will hold at least four meetings each year. The Trustees can also appoint separate committees for each Academy to be known as Local Governing Bodies; and can establish any other committees they deem to be necessary. These other committees can include persons who are not Trustees as long as the majority of members on any such committee are Trustees. The Trustees shall appoint the CEO and be involved in the appointment of Executive Principals and Headteachers of member Academies, and may delegate such powers and functions as they consider necessary.

Local Governing Bodies (LGBs) will have powers and functions delegated to them by the Board of Trustees. LGBs may be paired where the Academies are in an Executive Headteacher/Principal arrangement. In exceptional situations of poor performance, the Board of Trustees may intervene and replace a LGB with an Academy Council.

Chief Executive Officer will be recruited by the Board of Trustees and is directly accountable to the Board. The Board is responsible for the performance management of the CEO. The CEO is responsible for the performance of all Academies in the Trust; and is involved in the performance management of the Executive Principals and Headteachers of the participating academies. The CEO is the Accounting Officer of the Trust.

Leadership Group: this group comprises the Executive Principals and Headteachers of schools within the Trust. The group will support the CEO in securing the vision, development and high performance of the Trust.

Central Management Team this comprises the Chief Financial Officer (CFO) and the recently appointed Head of SEND and inclusion. The team works directly to the CEO.

• **Arrangements for setting pay and remuneration of key management personnel**

The policy and procedures for setting the pay and remuneration of the CEO and CFO is determined by the Board of Trustees. In addition, the Board will:

Review the staffing structure of the Trust based on plans presented by the CEO/CFO and funds available for the Trust.

Ensure that a consistent approach to performance management is adopted across the Trust.

Consider and approve a pay policy for the Trust and ensure that a consistent approach to pay review is in place across the Trust.

Ensure that the Trust adopts an appropriate range of personnel procedures e.g. disciplinary, grievance, capability and remuneration.

The pay and remuneration of the CEO and CFO is determined through the approved pay policies and progression is based on performance management which must be reported to and approved by the Board of Trustees.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Structure, governance and management (continued)**

• **Trade union facility time**

**Relevant union officials**

Number of employees who were relevant union officials during the year	1
Full-time equivalent employee number	0.6

**Percentage of time spent on facility time**

**Percentage of time**

0%	-
1% - 50%	1
51% - 99%	-
100%	-

**Percentage of pay bill spent on facility time** **£**

Total cost of facility time	540
Total pay bill	5,971,201
Percentage of total pay bill spent on facility time	- %

**Paid trade union activities**

Time spent on paid trade union activities as a percentage of total paid facility time hours	70.0 %
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• **Related parties and other connected charities and organisations**

Trustees have declared no business interests directly related to the Trust and where any Trustee should declare an interest, procedures are in place to address this. The Trust has adopted a policy that if there are any interests declared the Trustee would remove themselves from the decision making process. There are no related parties to Inspiring Primaries Academy Trust other than the Leicester Church of England Diocese and Little Oaks Play Therapy. The CEO is a member of number of professional organisations which enable her to keep abreast of current educational matters and network with other CEOs/Trusts to share expertise, knowledge and experience. As part of its work, the Trust has strategic partnerships with Thomas Estley Learning Alliance and Leicestershire Primary Heads in order to provide high quality education.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Structure, governance and management (continued)**

**Objectives and activities**

• **Objects and aims**

The object of the Trust, as set out in the Articles of Association, is:

- to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school with a designated Church of England religious character offering a broad and balanced curriculum conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship (as required by the Funding Agreement), and in having regard to the advice of the Diocesan Board of Education.

Its aims are:

- To appreciate the trust placed in us in educating children, promoting their personal development and well being;
- To appreciate the trust placed in us in serving our communities;
- To promote excellence, personal achievement and the realisation of each and every child's potential, irrespective of their gender, race, faith, ability or background;
- To promote the pursuit of excellence by every person every day, celebrating performance inside schools and the wider world;
- To ensure well disciplined, caring environments built on shared values;
- To ensure every school is a hub for the community it serves and is a source of immense pride;
- To provide high quality buildings and engaging classrooms with up to date technologies.

• **Objectives, strategies and activities**

In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission's general guidance and public benefit. All Academies within Inspiring Primaries Academy Trust offer all pupils a broad, balanced yet rigorous curriculum. The pupils who attend the schools live in and around the parishes served. Each school offers a number of co-curricular and enrichment opportunities to develop learning beyond the classroom.

Our key objectives are to achieve excellent learning outcomes for all pupils in Inspiring Primaries Academy Trust through effective, sustainable school improvement due to skilled teaching, leadership and governance and to develop a secure foundation for sustainable growth.

• **Public benefit**

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

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Objectives and activities (continued)**

**Strategic report**

**Achievements and performance**

• **Key performance indicators**

Due to the Covid-19 pandemic and the closure of schools to the majority of pupils from 20 March 2020, no end of year performance data is available. Throughout the period of partial opening, all academies remained open for children of key workers and vulnerable pupils. From 1st June 2020, all academies welcomed back pupils from EYFS, Year 1 and Year 6 until the end of the academic year.

Prior to Covid-19, Ullesthorpe CE Primary School attained a judgement of 'good' for its SIAMS inspection and Gilmorton Chandler CE Primary School was judged 'good' by Ofsted.

The main charitable activity undertaken by the Trust is the delivery of a high quality education to all pupils in its care to secure excellent outcomes for all.

Areas for development are:

- To continue to accelerate progress and raise attainment by the end of EYFS and in phonics.
- To raise attainment in all core curriculum areas at greater depth by the end of both Key Stages 1 and 2
- Accelerate progress to improve outcomes for disadvantaged pupils, those with special educational needs and/or disabilities and those of Gypsy, Roma or Traveller ethnicity
- Relocation of talent to greatest areas of need

**Other Key Performance Indicators**

For all academies to be judged good or outstanding by Ofsted.

For all Church of England academies to be judged good or excellent by SIAMS.

For financial planning to support steady, effective and sustainable growth.

The Trust has also identified the following indicators which have been used for benchmarking during 2019-20 and reviewing budgets for 2020-21

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**Strategic report (continued)**

**Achievements and performance (continued)**

<b>Spending as a % of Total expenditure</b>	<b>Actual 2019/20</b>	<b>Actual 2018/19</b>
Teaching staff	49.19%	45.94%
Supply staff	1.32%	1.81%
Education Support Staff	18.51%	18.5%
Administration & Clerical staff	6.46%	6.44%
Other Staff Costs	3.53%	3.65%
Premises, incl staff costs	6.48%	6.91%
Teaching resources	5.31%	6.55%
Other Spending)	8.12%	8.95%
<b>Reserves / balances as a % of total income</b>		
In year balance	0.95%	1.36%
Revenue reserve	9.99%	9.32%
<b>Trust Characteristics</b>		
Average Teacher Cost	£53,999	£50,569
Senior Leaders as % of workforce	8.85%	8.69%
Pupil to Teacher ratio	22	23
Pupil to adult ratio	9.5	10.28
Teacher Contact ratio	76.00%	77.55%
Average class size	26.34	27.66

• **Going concern**

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

**Financial review**

• **Financial review**

The Academy Trust had a net increase in funds for the year ended 31 August 2020 of £468,395 including fixed assets movements but excluding pension reserve movements. As at 31 August 2020 the Academy Trust held £510,653 of unrestricted reserves plus £175,935 of unspent (non fixed asset) restricted funds. The Academy Trust therefore held combined unrestricted and non fixed asset restricted funds, being its available reserves of £686,588.

The Academy Trust had a pension deficit on their Local Government Pension Scheme of £3,475,000 at 31 August 2020 and a fixed asset reserve of £5,785,896, being the book value of past purchases plus unspent funds of £60,975.

Despite the global pandemic, there are no significant factors going forward that are expected to impact on the normal continuing operation of the Academy, as core funding from both the Government and Local Authorities is

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**TRUSTEES' REPORT (CONTINUED)**  
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currently expected to continue. The principle financial management policies adopted in the period are included in the Academy's internal financial policies and are typical for an Academy Trust of this size and type. There were no unusual significant events worthy of comment during the year other than the aforementioned pandemic.

The principal sources of funding for the Academy Trust are the General Annual Grant (GAG) and other ESFA Group grants, such as Pupil Premium. This funding has been used to support the key educational objectives of the Academy Trust, subject to any remaining reserves.

The Academy's investment policy is only to hold cash reserves on deposit with major holding banks so as to minimise risk.

• **Reserves policy**

The Trustees have developed a reserves policy for the school which is reviewed at least annually. The Academy needs to hold reserves to allow for contingencies such as unfunded building repairs, unexpected staffing costs and to allow for some uncertainty in future government funding.

The Trustees have determined that the appropriate level of free reserves, which it considers to be unrestricted funds plus unspent General Annual Grant (GAG), should be £466,410 or 8.33% of GAG. Actual free reserves plus unspent GAG as at 31 August 2020 were £510,653, being approximately in line with the target level set by the Trustees.

The Academy also held other available restricted funds at the year end of £175,935 being unspent grants. Total available reserves, being both the above figures at 31 August 2020 were £686,588. Cash at bank at 31 August 2020 was £1,290,275, higher than total available reserves due principally to accruals timing differences at the year end.

At 31 August 2020 the Academy's fixed asset reserve of £5,771,216, represented funds which could only be realised if the assets were sold plus unspent funds of £60,975.

The only reserve in deficit at the year end was the pension reserve (deficit of £3,475,000) which will be addressed via contribution rates decided on from time to time by the pension scheme actuaries. This deficit has arisen, as with many other schemes of this type, mainly due to increased life expectancies and reduced investment returns.

• **Investment policy**

If the Academy Trust is able to generate better returns than currently provided in a deposit account, it may undertake other investments. All investments, outside of a deposit account, will be made on a risk averse basis, taking ethical considerations into account and need Trust Board approval. The aim is to ensure that funds which the Trust does not immediately need to cover anticipated expenditure are invested in such a way as to maximise the Trust's income but without risk. Our aim is to spend the publicly funded monies with which we are entrusted for the direct education benefit of pupils as soon as is prudent. The Trust does not consider the investment of surplus funds as a primary activity, rather it is the result of best practice as and when circumstances allow.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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• **Principal risks and uncertainties**

The Trust maintains a risk register which is reviewed by the Board of Trustees to ensure that satisfactory arrangements are in place to manage risk. There is at least a termly review of all risk management issues led by the CFO and CEO, however there is ongoing review in response to situations or new legislation or information.

The key risks identified by the Trustees are:

**COVID-19:** As a result of the current pandemic, there is an elevated risk to pupil and staff health, pupil outcomes and the Trust's financial position. Risk mitigating actions include enhanced cleaning regimes, personal protective equipment as required, social distancing and one way systems, staggered start, finish and break times, alignment of in school and remote learning, and curriculum catch up interventions.

**Pupil Outcomes:** A decline of pupils' attainment and school performance. This is mitigated by rigorous monitoring of performance; a continued focus on leadership and high quality teaching, early identification and tracking of vulnerable and under performing groups and developing and improving governance.

**Pupil on Roll Fluctuations:** Material fluctuations in numbers either through falling NOR, school expansion or pupil mobility. This is mitigated by monitoring of NOR movements at schools; monitoring, reviewing and planning for Local Authority pupil number projections; identifying and addressing any issues arising from unusual pupil movement patterns.

**Estates:** Liability for building maintenance and repairs being beyond the Trust's financial capacity to address. This is being mitigated by the establishment of a comprehensive estates plan including condition surveys and strategic estate planning; use of reserves to support CIF bids for high priority repair projects; robust due diligence processes for any schools joining the trust.

**Financial:** Continued uncertainty around long term funding, and impacts of unfunded pay awards, pension or NI changes, including increased pension contributions required to meet increasing pension deficit valuations. This is mitigated through the use of 3-5 year budget planning reviews being updated regularly to model the impact of funding changes when they are announced or are likely to occur so that impacts can be identified early and actions taken as appropriate; Use of reserves to transition significant changes.

**Capacity:** The Trust becomes over reliant on the CEO and CFO for the management and development of the Trust. This is mitigated by the creation of leadership, teaching and support groups to build knowledge and capacity across the Trust; investment in MIS to support shared data and remote working; succession planning and steady expansion of the central Trust team.

The Trustees are satisfied that systems to mitigate exposure to major risks are in place, being updated or being introduced.

At 31 August 2020 the pension deficit on the Local Government Pension Scheme stood at £3,475,000. The pension deficit continues to grow partly as a result of changes in how it is valued together with lower returns on assets. Changes in contributions rates as decided upon by the actuaries of the scheme are budgeted for as soon as they are known, when they are updated every three years, but current rates may be insufficient to address the deficit. Trust has mitigated its risk in relation to this pension scheme by taking out insurance against early retirement on the grounds of ill health.

Parliament has agreed, at the request of the Secretary of State for Education, to guarantee that, in the event of Academy closure, outstanding pension scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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### **Fundraising**

The Trust does not yet have a co ordinated fundraising approach and during the year to 31 August 2020, the schools carried out local fundraising activities similar to those that were done when they were maintained schools.

Funds were raised through the following activities:

- PTA or school parent helper organised school events such as fetes & fairs and other social or sponsored activities
- Your School Lottery, which is administered by Gatherwell, and registered with the Gambling Commission. Communication with parents is carried approx. once a term advising parents that the lottery exists, how their contributions are split between prizes, schools and administration, and advising them how they can participate
- Donations from local charitable or endowment trusts
- Grants from the National Lottery and other national or local business organisations

### **Plans for future periods**

The Trust is centred on schools working in collaboration to ensure sustainable improvement. The growth model is centred on capacity, ensuring that the Trust has the internal capacity, both within the central team and our partner schools, to effect positive change in supporting all schools to become outstanding.

Achieving high standards of academic results is a constant aim whilst maintaining the breadth and depth of wider education to develop the whole child. The Trust's future plans are financed from income direct from the ESFA related to pupil numbers and other lump sum factors. Trustees will ensure funding is invested appropriately for the next generation of pupils as they have done in the past for current pupils. Maintaining and, where necessary, developing the fabric of the facilities (including technology) of our schools is central to our strategy.

### **Funds held as custodian on behalf of others**

No funds are held on behalf of others.

### **Disclosure of information to auditors**

Insofar as the Trustees are aware:

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

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 9 December 2020 and signed on its behalf by:



**G E Read**  
Chair of Trustees

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**INSPIRING PRIMARIES ACADEMY TRUST**  
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**GOVERNANCE STATEMENT**

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**Scope of responsibility**

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

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

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

**Governance**

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 11 times during the year.

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

Trustee	Meetings attended	Out of a possible
G E Read, Chair of Trustees	8	11
M E Sandford, Chief Executive Officer	11	11
P Bell	5	11
K A Campbell	9	11
J R G Taylor	11	11
M De Middelaer	11	11
S J Robson	9	11
R Howes	10	11
R Keenan	7	11
J Clarke	0	11

The Board of Trustees is responsible for the strategic direction of the Trust. It has made central staff appointments, approved Trust policies and has determined the level of delegation to Local Governing Bodies.

The Board of Trustees comprises people with a proven track record of school improvement or expertise in the core areas of finance, legal and premises issues. The Board has approved the quality of data provided in order to discharge its duties accordingly.

**Governance reviews:**

The following aims were identified by the Board of Trustees:

- ensure that new trustees supplement the range of skills, expertise and experience to support effective governance;
- ensure accountability and effective communications between schools, the Board and members;
- ensure that governance is effective at all levels across the Trust;
- avoid duplication of debate and decision making at Trust and local governing body level, and ensure that this happens in the most appropriate place;
- ensure the efficient use of headteacher/CEO and governor/trustee time by standardising documents where possible and avoiding duplication.

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**GOVERNANCE STATEMENT (CONTINUED)**

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**Review of value for money**

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

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

**Improving Educational Outcomes:**

The principle aim of Inspiring Primaries Academy Trust is to ensure long term sustainable improvement in order to impact significantly on the life chances of the children and families within the partnership schools. The Trust is committed to providing the very highest quality teaching and learning to secure the best possible outcomes for all pupils.

This is demonstrated by:

- Targeted funds (e.g. pupil premium) are ring fenced within spending plans and used to improve performance, attendance and behaviour by those pupils identified to receive funding via those sources.
- The effectiveness of these interventions is evaluated through performance data;
- Resources are targeted in line with pupil need and development plan priorities ensuring that they are directed to where they are most needed and are most effective in meeting the educational needs;
- Coordinated and collaborative working across the Trust schools;
- A half termly Trust CEO meeting to review the performance of each school in the following areas:
  - a. attainment, learning and progress; teaching and learning; leadership and management; capacity to improve; behaviour and safety; narrowing the gaps for vulnerable pupils; additional support needs;
  - b. finance and business; pupil voice; buildings and engagement;
  - c. School improvement support is provided by designated NLG, NLE, SLEs and/or IPLEs;
  - d. Action plans are implemented and progress against these are monitored through visits and our peer challenge review process.

**Better Purchasing:**

Goods and services purchased are done so to achieve value for money in terms of suitability, efficiency, time and cost. All contracts are reviewed on a regular basis to ensure that they are fit for purpose and provide good value in all aspects. Examples include:

- Securing trust wide contracts compliance to get the best mix of quality, service and cost;
- Exploring alternative purchasing options (both on line and direct suppliers) even for small purchases to ensure value for money;
- Requiring suppliers to compete on the grounds of cost, quality and suitability of goods and services;
- Competitive tendering procedures including option appraisal of the costs and benefits of alternatives over the longer term;
- Benchmarking financial performance against other academy trusts and similar schools;
- Use of the DFE Deals for Schools arrangements;
- Use of technology to provide operational efficiencies, e.g. integrated centralised IT systems instead of standalone local ones.

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**GOVERNANCE STATEMENT (CONTINUED)**

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**Review of value for money (continued)**

**Maximising Income Generation:**

Processes are in place to maximise income including:

- Trust and central staff providing support and consultancy services to other schools;
- Maximising income generation opportunities e.g. extended services, lettings, NLE and SLE deployments;

**Reviewing Controls and Managing Risks:**

Regular budget monitoring reports are produced and reviewed by the CFO, CEO, Business/Office Managers and Executive Principals/Headteachers and any necessary remedial action taken to address any significant variances that may have an impact on the budget out turn. The Executive Principals/Headteachers brief their Local Governing Bodies on the financial position and discusses and significant changes as relevant Budget allocations are updated and approved by the Trustees. Actions taken to mitigate risk are outlined in the risk registers, Executive Principals/Headteachers, and CEO/CFO reports. Registers are reviewed termly as a minimum and where appropriate, professional advice e.g. Legal, HR, Finance is sought.

**Reviewing Operation to Maximise Use of Resources:**

The Trust strategic leadership review expenditure within each budget heading on a termly basis and will make adjustments based on the effectiveness of strategies introduced in previous years, curriculum offer and any new strategies identified in the Trust and School Development Plans as relevant.

**The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Inspiring Primaries Academy Trust for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

**The risk and control framework**

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

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

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**INSPIRING PRIMARIES ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**GOVERNANCE STATEMENT (CONTINUED)**

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

- testing on payroll systems
- testing of purchase systems
- testing of control accounts and bank reconciliations

On an annual basis, the internal auditor reports to the Board of Trustees through the Full Governing Body on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

The latest internal audit works were carried out in August 2020 and recommendations presented to the Finance & Audit Committee. No material control issues were identified as a result of the internal auditors review work and most of the recommendations had been implemented by the time of presentation. Trustees have agreed that all recommendations made by the internal auditor will be introduced under the direction of the CFO and CEO during the Autumn term or within the following year as applicable.

**Review of effectiveness**

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

- the work of the internal auditor;
- the work of the external auditors;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Board of Trustees and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 9 December 2020 and signed on their behalf by:



**G E Read**  
Chair of Trustees



**M E Sandford**  
Accounting Officer

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**INSPIRING PRIMARIES ACADEMY TRUST**  
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As accounting officer of Inspiring Primaries Academy Trust I have considered my responsibility to notify the Academy Trust board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the Academy Trust board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2019.

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.



**M E Sandford**  
Accounting Officer  
Date: 9 December 2020

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**INSPIRING PRIMARIES ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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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 . 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 of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 9 December 2020 and signed on its behalf by:



**G E Read**

Chair of Trustees

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**INSPIRING PRIMARIES ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

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### **Opinion**

We have audited the financial statements of Inspiring Primaries Academy Trust (the 'academy trust') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 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 Academy Trust's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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**INSPIRING PRIMARIES ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

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**Other information**

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

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

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

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

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

In the light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

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

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**INSPIRING PRIMARIES ACADEMY TRUST**  
(A Company Limited by Guarantee)

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

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**Responsibilities of trustees**

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

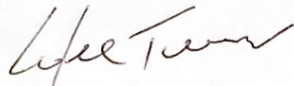
**Auditors' responsibilities for the audit of the financial statements**

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

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

**Use of our report**

This report is made solely to the Academy 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 Academy Trust's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Luke Turner ACA FCCA (Senior Statutory Auditor)**

for and on behalf of  
**Magma Audit LLP**  
Chartered Accountants  
Statutory Auditors  
Unit 2, Charnwood Edge Business Park

Syston Road  
Cossington  
Leicestershire  
LE7 4UZ

Date: 11/01/21

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**INSPIRING PRIMARIES ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO INSPIRING  
PRIMARIES ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 26 October 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Inspiring Primaries Academy Trust during the year 1 September 2019 to 31 August 2020 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 Inspiring Primaries Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Inspiring Primaries Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Inspiring Primaries Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Inspiring Primaries Academy Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Inspiring Primaries Academy Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusion includes:

- On a sample basis testing transactions and balances.
- Making enquiries of the academy regarding systems and controls in place that are relevant to our regularity conclusion.
- On a sample basis reviewing records for evidence of those systems and controls in operation.

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INSPIRING PRIMARIES ACADEMY TRUST  
(A Company Limited by Guarantee)

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

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**Conclusion**

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Magma Audit LLP*

Reporting Accountant  
**Magma Audit LLP**  
Chartered Accountants

Unit 2, Charnwood Edge Business Park  
Syston Road  
Cossington  
Leicestershire  
LE7 4UZ

Date:

*11 / 01 / 21*

**INSPIRING PRIMARIES ACADEMY TRUST**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 08540699**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	14	5,710,241	5,180,280
		<u>5,710,241</u>	<u>5,180,280</u>
<b>Current assets</b>			
Debtors	15	444,442	773,885
Cash at bank and in hand		1,290,275	1,311,981
		<u>1,734,717</u>	<u>2,085,866</u>
Creditors: amounts falling due within one year	16	(987,154)	(1,276,737)
<b>Net current assets</b>		<u>747,563</u>	<u>809,129</u>
<b>Total assets less current liabilities</b>		<u>6,457,804</u>	<u>5,989,409</u>
<b>Net assets excluding pension liability</b>		<u>6,457,804</u>	<u>5,989,409</u>
Defined benefit pension scheme liability	24	(3,475,000)	(2,995,000)
<b>Total net assets</b>		<u><u>2,982,804</u></u>	<u><u>2,994,409</u></u>
<b>Funds of the Academy Trust</b>			
<b>Restricted funds:</b>			
Fixed asset fund	17	5,771,216	5,283,803
Restricted income fund	17	175,935	107,550
		<u>5,947,151</u>	<u>5,391,353</u>
Restricted funds excluding pension liability	17	5,947,151	5,391,353
Pension reserve	17	(3,475,000)	(2,995,000)
<b>Total restricted funds</b>	17	<u>2,472,151</u>	<u>2,396,353</u>
<b>Unrestricted income funds</b>	17	510,653	598,056
<b>Total funds</b>		<u><u>2,982,804</u></u>	<u><u>2,994,409</u></u>

The financial statements on pages 23 to 55 were approved by the Trustees, and authorised for issue on 09 December 2020 and are signed on their behalf, by:

G E Read  
Chair of Trustees



**INSPIRING PRIMARIES ACADEMY TRUST**  
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>Income from:</b>						
Donations and capital grants	3	32,468	56,314	707,439	796,221	1,019,328
Charitable activities	4	22,109	6,823,863	-	6,845,972	6,297,852
Other trading activities	5	50,132	-	-	50,132	51,251
Investments	6	1,258	-	-	1,258	669
<b>Total income</b>		<b>105,967</b>	<b>6,880,177</b>	<b>707,439</b>	<b>7,693,583</b>	<b>7,369,100</b>
<b>Expenditure on:</b>						
Raising funds		77,573	-	-	77,573	92,496
Charitable activities		-	7,251,017	306,598	7,557,615	6,855,822
Transfer from Local Authority on conversion		-	-	-	-	13,621
<b>Total expenditure</b>	7	<b>77,573</b>	<b>7,251,017</b>	<b>306,598</b>	<b>7,635,188</b>	<b>6,961,939</b>
<b>Net income/(expenditure)</b>		<b>28,394</b>	<b>(370,840)</b>	<b>400,841</b>	<b>58,395</b>	<b>407,161</b>
Transfers between funds	17	(115,797)	29,225	86,572	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>(87,403)</b>	<b>(341,615)</b>	<b>487,413</b>	<b>58,395</b>	<b>407,161</b>
<b>Other recognised gains/(losses):</b>						
Actuarial gains/(losses) on defined benefit pension schemes	24	-	(70,000)	-	(70,000)	(726,000)
<b>Net movement in funds</b>		<b>(87,403)</b>	<b>(411,615)</b>	<b>487,413</b>	<b>(11,605)</b>	<b>(318,839)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		598,056	(2,887,450)	5,283,803	2,994,409	3,313,248
Net movement in funds		(87,403)	(411,615)	487,413	(11,605)	(318,839)
<b>Total funds carried forward</b>		<b>510,653</b>	<b>(3,299,065)</b>	<b>5,771,216</b>	<b>2,982,804</b>	<b>2,994,409</b>

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**INSPIRING PRIMARIES ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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	Note	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	19	<b>106,156</b>	228,951
<b>Cash flows from investing activities</b>	20	<b>(127,862)</b>	40,412
<b>Change in cash and cash equivalents in the year</b>		<b>(21,706)</b>	269,363
Cash and cash equivalents at the beginning of the year		<b>1,311,981</b>	1,042,618
<b>Cash and cash equivalents at the end of the year</b>	21, 22	<b>1,290,275</b>	<b>1,311,981</b>

The notes on pages 26 to 55 form part of these financial statements

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**INSPIRING PRIMARIES ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**1. Accounting policies**

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

**1.1 Basis of preparation of financial statements**

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

**1.2 Going concern**

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. Despite the global pandemic which was ongoing at the balance sheet date and subsequently, there are no material uncertainties over the Academy Trust's ability to continue as a going concern. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

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**INSPIRING PRIMARIES ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**1. Accounting policies (continued)**

**1.3 Income**

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

• **Grants**

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the 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.

• **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Academy Trust has provided the goods or services.

• **Transfer on conversion**

Where assets and liabilities are received by the Academy Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received. The land and buildings are held on a 125 year lease with the Local Authority. The cost of the land and buildings was arrived at using the ESFA standard valuation on a depreciated replacement cost basis provided to the academy. This provided a value for the land and buildings as at the date of conversion.

• **Donated fixed assets (excluding transfers on conversion or into the Academy Trust)**

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 Capital Grants' and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

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**INSPIRING PRIMARIES ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**1. Accounting policies (continued)**

**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 Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

**1.5 Interest receivable**

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

**1.6 Taxation**

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

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**1. Accounting policies (continued)**

**1.7 Tangible fixed assets**

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

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

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

Leasehold buildings	- 2% straight line
Leasehold land	- not depreciated
Leasehold improvements	- 6% straight line
Furniture and equipment	- 15% straight line
Computer equipment	- 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.

**1.8 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.

**1.9 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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**1. Accounting policies (continued)**

**1.10 Provisions**

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

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

**1.11 Financial instruments**

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

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

**1.12 Operating leases**

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**1. Accounting policies (continued)**

**1.13 Pensions**

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

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

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

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

**1.14 Fund accounting**

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

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

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

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**2. Critical accounting estimates and areas of judgment**

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

The Academy Trust 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.

**Defined benefit pension scheme**

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. 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.

**Tangible assets**

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 14 for the carrying amount of the property plant and equipment, and note 1.7 for the useful economic lives for each class of assets.

**3. Income from donations and capital grants**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	32,468	56,314	-	88,782	75,534
Capital grants	-	-	707,439	707,439	943,794
	<u>32,468</u>	<u>56,314</u>	<u>707,439</u>	<u>796,221</u>	<u>1,019,328</u>
<i>Total 2019</i>	<u>56,544</u>	<u>18,990</u>	<u>943,794</u>	<u>1,019,328</u>	

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**4. Funding for the Academy Trust's educational operations**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	5,596,923	<b>5,596,923</b>	5,373,070
Other DfE Group grants	1,801	995,858	<b>997,659</b>	695,277
	1,801	6,592,781	<b>6,594,582</b>	6,068,347
<b>Other government grants</b>				
Local Authority grants	-	231,082	<b>231,082</b>	183,603
	-	231,082	<b>231,082</b>	183,603
<b>Other funding</b>				
Insurance income	20,308	-	<b>20,308</b>	45,902
	22,109	6,823,863	<b>6,845,972</b>	6,297,852
<i>Total 2019</i>	<i>104,661</i>	<i>6,193,191</i>	<i>6,297,852</i>	

**5. Income from other trading activities**

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Lettings income	14,773	<b>14,773</b>	16,696
Consultancy income	7,303	<b>7,303</b>	1,750
Fundraising income	17,032	<b>17,032</b>	17,207
Sundry income	11,024	<b>11,024</b>	15,598
	50,132	<b>50,132</b>	51,251
<i>Total 2019</i>	<i>51,251</i>	<i>51,251</i>	

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**6. Investment income**

	<b>Unrestricted funds 2020 £</b>	<b>Total funds 2020 £</b>	<i>Total funds 2019 £</i>
Bank interest	1,258	<b>1,258</b>	669
<i>Total 2019</i>	669	669	

**7. Expenditure**

	<b>Staff Costs 2020 £</b>	<b>Premises 2020 £</b>	<b>Other 2020 £</b>	<b>Total 2020 £</b>	<i>Total 2019 £</i>
Expenditure on raising funds:					
Allocated support costs	26,901	-	50,672	<b>77,573</b>	92,496
Educational operations:					
Direct costs	2,892,000	44,399	875,900	<b>3,812,299</b>	3,390,446
Allocated support costs	3,052,300	536,075	156,941	<b>3,745,316</b>	3,465,376
Transfer from Local Authority on conversion	-	-	-	-	13,621
	<u>5,971,201</u>	<u>580,474</u>	<u>1,083,513</u>	<u><b>7,635,188</b></u>	<u>6,961,939</u>
<i>Total 2019</i>	<u>5,384,904</u>	<u>343,417</u>	<u>1,233,618</u>	<u>6,961,939</u>	

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**8. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2020 £</b>	<b>Support costs 2020 £</b>	<b>Total funds 2020 £</b>	<i>Total funds 2019 £</i>
Educational operations	3,812,299	3,745,316	7,557,615	6,855,822
<i>Total 2019</i>	<u>3,390,446</u>	<u>3,465,376</u>	<u>6,855,822</u>	

**Analysis of direct costs**

	<b>Total funds 2020 £</b>	<i>Total funds 2019 £</i>
LGPS pension interest cost (£113,000) less return on assets (£56,000)	57,000	57,000
Staff costs	2,892,000	2,555,588
Depreciation	229,948	143,689
Educational supplies	249,606	263,589
Staff development	41,999	33,187
Other direct costs	287,278	280,242
Technology costs	54,468	57,151
	<u>3,812,299</u>	<u>3,390,446</u>

**Analysis of support costs**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**8. Analysis of expenditure by activities (continued)**

**Analysis of support costs (continued)**

	<b>Total funds 2020 £</b>	<i>Total funds 2019 £</i>
Staff costs	<b>3,038,582</b>	2,767,254
Depreciation	<b>76,650</b>	47,897
Staff development	<b>2,154</b>	929
Maintenance of premises and equipment	<b>100,667</b>	127,999
Cleaning	<b>48,306</b>	27,727
Rates	<b>48,679</b>	45,717
Insurance	<b>33,708</b>	35,916
Catering	<b>922</b>	4,275
Other support costs	<b>159,812</b>	168,787
Energy costs	<b>76,224</b>	81,690
Governance	<b>50,974</b>	56,634
Professional fees	<b>79,838</b>	78,151
Auditors' remuneration	<b>28,800</b>	22,400
	<b><u>3,745,316</u></b>	<u>3,465,376</u>

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**9. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	<b>2020</b>	<b>2019</b>
	£	£
Operating lease rentals	9,740	8,872
Depreciation of tangible fixed assets	306,598	191,586
Fees paid to auditors for:		
- audit	24,000	21,000
- other services	4,800	1,400
	<b>539,138</b>	<b>323,264</b>

**10. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

	<b>2020</b>	<b>2019</b>
	£	£
Wages and salaries	4,276,914	4,007,936
Social security costs	349,906	320,480
Pension costs	1,330,663	1,013,650
	<b>5,957,483</b>	<b>5,342,066</b>
Agency staff costs	13,718	41,192
Staff restructuring costs	-	1,646
	<b>5,971,201</b>	<b>5,384,904</b>

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**10. Staff (continued)**

**a. Staff costs (continued)**

Staff restructuring costs comprise:

	2020	2019
	£	£
Redundancy payments	-	1,646
	-	1,646
	-	1,646

**b. Staff numbers**

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

	2020	2019
	No.	No.
Teachers	64	64
Administration and support	144	145
Management	14	13
	222	222
	222	222

**c. Higher paid staff**

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

	2020	2019
	No.	No.
In the band £60,001 - £70,000	3	1
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	1	-
	1	-
	1	-

**d. Key management personnel**

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £594,390 (2019 - £135,445). These figures include salary costs of all Trustees employed by the academy, even where they have no management role within their employment.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**11. Central services**

The Academy Trust has provided the following central services to its academies during the year:

- Human resources
- Financial services
- Legal services
- Educational support services
- SEN Services
- Health and safety services
- Insurance
- IT Licenses and support
- Others as arising

The Academy Trust charges for these services on the following basis:

6% of GAG funding (2019: 5%).

The actual amounts charged during the year were as follows:

	2020	2019
	£	£
All Saints Church of England Primary School	56,038	42,178
Claybrooke Primary School	22,587	19,198
Dunton Bassett Primary School	28,877	21,104
Gilmorton Chandler Church of England Primary School	48,927	37,767
John Wycliffe Primary School	60,563	46,567
Sharnford Primary School	24,414	17,620
St Margaret's Church of England Primary School	50,251	39,932
St Mary's Church of England Primary School Bitteswell	29,304	23,352
Ullesthorpe Primary School	29,112	19,819
<b>Total</b>	<b>350,073</b>	<b>267,537</b>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**12. Trustees' remuneration and expenses**

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

		<b>2020</b>	<i>2019</i>
		<b>£</b>	<b>£</b>
M E Sandford, Chief Executive Officer	Remuneration	<b>90,000 -</b>	<i>80,000 -</i>
		<b>95,000</b>	<i>85,000</i>
	Pension contributions paid	<b>20,000 -</b>	<i>10,000 -</i>
		<b>25,000</b>	<i>15,000</i>

During the year ended 31 August 2020, no Trustee expenses have been incurred (*2019 - £NIL*).

**13. Trustees' and officers' insurance**

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £3,000,000 on any one claim and the cost for the year ended 31 August 2020 was £1,177 (*2019 - £1,146*). The cost of this insurance is included in the total insurance cost.

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**14. Tangible fixed assets**

	Leasehold property £	Leasehold improvements £	Furniture and equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>					
At 1 September 2019	3,701,100	1,320,665	446,877	158,348	5,626,990
Additions	-	725,424	77,243	33,892	836,559
At 31 August 2020	<u>3,701,100</u>	<u>2,046,089</u>	<u>524,120</u>	<u>192,240</u>	<u>6,463,549</u>
<b>Depreciation</b>					
At 1 September 2019	137,939	80,633	148,846	79,292	446,710
Charge for the year	61,306	122,759	78,134	44,399	306,598
At 31 August 2020	<u>199,245</u>	<u>203,392</u>	<u>226,980</u>	<u>123,691</u>	<u>753,308</u>
<b>Net book value</b>					
At 31 August 2020	<u><u>3,501,855</u></u>	<u><u>1,842,697</u></u>	<u><u>297,140</u></u>	<u><u>68,549</u></u>	<u><u>5,710,241</u></u>
At 31 August 2019	<u><u>3,563,161</u></u>	<u><u>1,240,032</u></u>	<u><u>298,031</u></u>	<u><u>79,056</u></u>	<u><u>5,180,280</u></u>

See note 1.3 regarding assets transferred on conversion.

**15. Debtors**

	2020 £	2019 £
<b>Due within one year</b>		
Trade debtors	8,339	3,572
Other debtors	124,470	180,098
Prepayments and accrued income	311,633	590,215
	<u><u>444,442</u></u>	<u><u>773,885</u></u>

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**16. Creditors: Amounts falling due within one year**

	2020	2019
	£	£
Trade creditors	478,462	843,433
Other taxation and social security	-	73,463
Other creditors	191,821	91,558
Accruals and deferred income	316,871	268,283
	<b>987,154</b>	<b>1,276,737</b>
	<b>987,154</b>	<b>1,276,737</b>
	2020	2019
	£	£
<b>Deferred income</b>		
Deferred income at 1 September 2019	157,626	219,019
Resources deferred during the year	181,146	157,626
Amounts released from previous periods	(157,626)	(219,019)
	<b>181,146</b>	<b>157,626</b>
	<b>181,146</b>	<b>157,626</b>

The closing balance of deferred income mainly relates to Universal Infant Free School Meals and rates income received in advance of the 2020/21 academic year.

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**17. Statement of funds**

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
<b>Unrestricted funds</b>						
General funds	598,056	105,967	(77,573)	(115,797)	-	510,653
<b>Restricted general funds</b>						
General Annual Grant (GAG)	15,751	5,596,923	(5,641,899)	29,225	-	-
Pupil Premium	23,107	290,774	(272,631)	-	-	41,250
Other DfE Group Grants	68,692	705,084	(687,868)	-	-	85,908
Other government grants	-	231,082	(231,082)	-	-	-
Donations	-	56,314	(7,537)	-	-	48,777
Pension reserve	(2,995,000)	-	(410,000)	-	(70,000)	(3,475,000)
	<u>(2,887,450)</u>	<u>6,880,177</u>	<u>(7,251,017)</u>	<u>29,225</u>	<u>(70,000)</u>	<u>(3,299,065)</u>
<b>Restricted fixed asset funds</b>						
DfE Group capital grants	174,964	51,694	(34,172)	(21,472)	-	171,014
Transfer from local authority	3,658,970	-	(96,248)	-	-	3,562,722
Academies Capital Maintenance Fund	44,671	-	(13,393)	-	-	31,278
Condition Improvement Fund	497,040	364,577	(76,900)	108,044	-	892,761
Other government grants	823,828	291,168	(64,611)	-	-	1,050,385
Capital expenditure from GAG	84,330	-	(21,274)	-	-	63,056
	<u>5,283,803</u>	<u>707,439</u>	<u>(306,598)</u>	<u>86,572</u>	<u>-</u>	<u>5,771,216</u>
<b>Total Restricted funds</b>	<u>2,396,353</u>	<u>7,587,616</u>	<u>(7,557,615)</u>	<u>115,797</u>	<u>(70,000)</u>	<u>2,472,151</u>
<b>Total funds</b>	<u><u>2,994,409</u></u>	<u><u>7,693,583</u></u>	<u><u>(7,635,188)</u></u>	<u><u>-</u></u>	<u><u>(70,000)</u></u>	<u><u>2,982,804</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**17. Statement of funds (continued)**

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

**Restricted funds**

The General Annual Grant (GAG) relates to the school's development and operational activities. The transfer from GAG relates to funding towards fixed asset additions in the year, net of a transfer from unrestricted funds to equalise the GAG.

Pupil Premium relates to additional funding received to raise the attainment of disadvantaged pupils of all abilities and to close the gaps between them and their peers. The closing balances relate to funds not spent at the year end.

The DfE Group restricted funds grants consists of Universal Infant Free School Meals Grant, Teachers Pay & Pension Grant and PE Sports Grant. The closing balances relate to PE Sports Grant funds not spent at the year end.

Other government grants consist of High Level Needs funding and Pupil Premium (Looked After Children). All funds have been spent in full in the year.

Donations income consists of amounts received from various sources for specific purposes. The closing balance relates to unspent funds at the year end.

The pension reserve relates to the school's share of the deficit of the Leicestershire County Council's Local Government Pension Scheme.

**Restricted fixed assets**

DfE Group capital grants relate to funding received from these sources to purchase fixed assets. The closing balance relates to the net book value of the assets concerned plus unspent funds.

The transfer from Local Authority relates to assets transferred from the Local Authority to the academy on conversion. The closing balance relates to the net book value of the assets concerned.

The Academies Capital Maintenance Fund (ACMF) relates to funding received in relation to the toilet refurbishment and a boundary wall project. The closing balance relates to the net book value of the assets concerned.

The Condition Improvement Fund (CIF) relates to funding received in relation to a flat roofing project, window projects, a new heating system and fire risk works. The closing balance relates to the net book value of the assets concerned.

The other government grants relate to funding received to purchase new play equipment and in relation to creating new classrooms. The closing balance relates to the net book value of the assets concerned.

The capital expenditure from GAG relates to capitalised expenditure allocated to the GAG within this grant's terms. The income element is shown as a transfer from restricted funds, where the GAG is received, to the restricted fixed assets fund where it has been spent. The closing balance represents the net book value of the assets concerned.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

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**17. Statement of funds (continued)**

**Total funds analysis by academy**

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
Inspiring Primaries Academy Trust (MAT)	(55,654)	(11,126)
All Saints Church of England Primary School	69,984	99,463
Claybrooke Primary School	57,915	39,854
Dunton Bassett Primary School	78,460	66,774
Gilmorton Chandler Church of England Primary School	56,321	41,484
John Wycliffe Primary School	129,599	154,515
Sharnford Primary School	74,323	71,087
St Margaret's Church of England Primary School	94,350	94,331
St Mary's Church of England Primary School Bitteswell	75,362	80,184
Ullesthorpe Primary School	105,928	69,040
	686,588	705,606
Total before fixed asset funds and pension reserve		
Restricted fixed asset fund	5,771,216	5,283,803
Pension reserve	(3,475,000)	(2,995,000)
	2,982,804	2,994,409
<b>Total</b>		

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

	Deficit £
Inspiring Primaries Academy Trust (MAT)	(55,654)
	(55,654)

The net deficit in the above location is primarily as a result of:

- The very high proportion of outsourced costs provided via the central services budget which are, in many other Trusts, charged directly to the schools. These are shown in Note 11.
- Arrangements with some service providers from before the formation of the trust 3 years ago which are currently part of a services review.
- A 3 year planned investment in education services incl SEN assessment support, psychologist and SALT support & training, development of NLE, SLE and internal IPLE support network.
- Other services provided as part of a 3 year contract commitment which were due in August 2020.
- Spending of £40,000 ring fenced funding received in 2018.

Furthermore, the model for leadership that was used when the Trust was formed has been amended to reflect the needs of the Trust and now includes a full time Chief Executive role.

The Academy Trust is taking the following action to return the academy to surplus:

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**17. Statement of funds (continued)**

- Reviewing all of its services, centrally and at a school level, and is re-tendering as relevant.
- Keeping contributions from schools at 6%
- Reviewing what is provided by Central Services and what should be a local school cost
- Actively seeking to grow the Trust.

Some of the potential savings are unable to be realised until after August 2020, so the deficit is due to increase until then before reducing each year thereafter. Forecasts are indicating that the deficit should reduce gradually over the next few years.

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £	Total 2019 £
Inspiring Primaries Academy Trust (MAT)	495,495	66,789	48,452	126,031	<b>736,767</b>	619,022
All Saints Church of England Primary School	843,249	103,264	47,262	153,797	<b>1,147,572</b>	962,018
Claybrooke Primary School	277,923	45,167	27,521	54,806	<b>405,417</b>	409,829
Dunton Bassett Primary School	334,933	57,561	27,519	79,070	<b>499,083</b>	475,173
Gilmorton Chandler Church of England Primary School	650,975	90,272	39,872	120,231	<b>901,350</b>	894,979
John Wycliffe Primary School	860,030	101,729	40,666	126,457	<b>1,128,882</b>	1,035,321
Sharnford Primary School	320,297	49,533	39,085	72,815	<b>481,730</b>	421,013
St Margaret's Church of England Primary School	675,057	125,826	38,258	116,733	<b>955,874</b>	948,044
St Mary's Church of England Primary School Bitteswell	386,569	90,519	24,941	65,926	<b>567,955</b>	517,246
Ullesthorpe Primary School	336,546	59,467	37,277	70,670	<b>503,960</b>	487,708
<b>Academy Trust</b>	<b>5,181,074</b>	<b>790,127</b>	<b>370,853</b>	<b>986,536</b>	<b>7,328,590</b>	<b>6,770,353</b>

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**17. Statement of funds (continued)**

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

	<i>Balance at 1 September 2018</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2019</i>
	£	£	£	£	£	£
<b>Unrestricted funds</b>						
General funds	450,184	213,125	(65,253)	-	-	598,056
<b>Restricted general funds</b>						
General Annual Grant	96,950	5,373,070	(5,403,728)	(50,541)	-	15,751
Pupil Premium	7,318	260,320	(244,531)	-	-	23,107
Other DfE Group Grants	111,976	376,198	(419,482)	-	-	68,692
Other government grants	-	183,603	(183,603)	-	-	-
Donations	-	18,990	(18,990)	-	-	-
Pension reserve	(1,824,000)	-	(445,000)	-	(726,000)	(2,995,000)
	<u>(1,607,756)</u>	<u>6,212,181</u>	<u>(6,715,334)</u>	<u>(50,541)</u>	<u>(726,000)</u>	<u>(2,887,450)</u>
<b>Restricted fixed asset funds</b>						
DfE Group capital grants	15,931	135,067	(26,575)	50,541	-	174,964
Transfer from local authority	3,745,281	10,234	(96,545)	-	-	3,658,970
Academies Capital Maintenance Fund	58,064	-	(13,393)	-	-	44,671
Condition Improvement Fund	259,817	272,051	(34,828)	-	-	497,040
Other government grants	307,397	536,676	(20,245)	-	-	823,828
Capital expenditure from GAG	84,330	-	-	-	-	84,330
	<u>4,470,820</u>	<u>954,028</u>	<u>(191,586)</u>	<u>50,541</u>	<u>-</u>	<u>5,283,803</u>
<b>Total Restricted funds</b>	<u>2,863,064</u>	<u>7,166,209</u>	<u>(6,906,920)</u>	<u>-</u>	<u>(726,000)</u>	<u>2,396,353</u>
<b>Total funds</b>	<u>3,313,248</u>	<u>7,379,334</u>	<u>(6,972,173)</u>	<u>-</u>	<u>(726,000)</u>	<u>2,994,409</u>

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**18. Analysis of net assets between funds**

**Analysis of net assets between funds - current period**

	<b>Unrestricted funds 2020 £</b>	<b>Restricted funds 2020 £</b>	<b>Restricted fixed asset funds 2020 £</b>	<b>Total funds 2020 £</b>
Tangible fixed assets	-	-	5,710,241	<b>5,710,241</b>
Current assets	510,653	1,163,089	60,975	<b>1,734,717</b>
Creditors due within one year	-	(987,154)	-	<b>(987,154)</b>
Pension scheme liability	-	(3,475,000)	-	<b>(3,475,000)</b>
<b>Total</b>	<b>510,653</b>	<b>(3,299,065)</b>	<b>5,771,216</b>	<b>2,982,804</b>

**Analysis of net assets between funds - prior period**

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Restricted fixed asset funds 2019 £</i>	<i>Total funds 2019 £</i>
Tangible fixed assets	-	-	5,180,280	<i>5,180,280</i>
Current assets	598,056	1,384,287	103,523	<i>2,085,866</i>
Creditors due within one year	-	(1,276,737)	-	<i>(1,276,737)</i>
Pension scheme liability	-	(2,995,000)	-	<i>(2,995,000)</i>
<b>Total</b>	<b>598,056</b>	<b>(2,887,450)</b>	<b>5,283,803</b>	<b>2,994,409</b>

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**19. Reconciliation of net income to net cash flow from operating activities**

	2020 £	2019 £
Net income for the period (as per Statement of Financial Activities)	58,395	407,161
<b>Adjustments for:</b>		
Depreciation	306,598	191,586
Capital grants from DfE and other capital income	(707,439)	(930,555)
Interest receivable	(1,258)	(669)
Defined benefit pension scheme obligation inherited	-	97,000
Defined benefit pension scheme cost less contributions payable	353,000	291,000
Defined benefit pension scheme finance cost	57,000	57,000
Decrease/(increase) in debtors	329,443	(522,798)
(Decrease)/increase in creditors	(289,583)	649,460
Assets from new academies	-	(10,234)
<b>Net cash provided by operating activities</b>	<b>106,156</b>	<b>228,951</b>

**20. Cash flows from investing activities**

	2020 £	2019 £
Dividends, interest and rents from investments	1,258	669
Purchase of tangible fixed assets	(836,559)	(890,812)
Capital grants from DfE Group and other capital income	707,439	930,555
<b>Net cash (used in)/provided by investing activities</b>	<b>(127,862)</b>	<b>40,412</b>

**21. Analysis of cash and cash equivalents**

	2020 £	2019 £
Cash in hand	1,290,275	1,311,981
<b>Total cash and cash equivalents</b>	<b>1,290,275</b>	<b>1,311,981</b>

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**22. Analysis of changes in net debt**

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	1,311,981	(21,706)	1,290,275
	1,311,981	(21,706)	1,290,275

**23. Capital commitments**

	2020 £	2019 £
<b>Contracted for but not provided in these financial statements</b>		
Acquisition of tangible fixed assets	286,229	260,331
	286,229	260,331

**24. Pension commitments**

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

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

Contributions amounting to £109,223 were payable to the schemes at 31 August 2020 (2019 - £86,539) and are included within creditors.

**Teachers' Pension Scheme**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. 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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**24. Pension commitments (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 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the year amounted to £427,765 (2019 - £273,615).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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 2020 was £451,000 (2019 - £412,000), of which employer's contributions totalled £367,000 (2019 - £334,000) and employees' contributions totalled £ 84,000 (2019 - £78,000). The agreed contribution rates for future years are 25.4-26.4 per cent for employers and 6 - 12.5 per cent for employees.

As described in note the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

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

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**24. Pension commitments (continued)**

**Principal actuarial assumptions**

	2020	2019
	%	%
Rate of increase in salaries	2.7	3.3
Rate of increase for pensions in payment/inflation	2.2	2.3
Discount rate for scheme liabilities	1.7	1.8
Inflation assumption (CPI)	2.2	2.3
Commutation of pensions to lump sums	50	50

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

	2020	2019
	Years	Years
<i>Retiring today</i>		
Males	21.5	21.2
Females	23.8	23.4
<i>Retiring in 20 years</i>		
Males	22.2	22.2
Females	25.2	24.7

**Sensitivity analysis**

	2020	2019
	£000	£000
Discount rate +0.5%	380	725
Discount rate -0.5%	75	96
Pension increase rate +0.5%	741	614

**Share of scheme assets**

The Academy Trust's share of the assets in the scheme was:

	2020	2019
	£	£
Equities	1,892,000	1,676,000
Gilts	930,000	896,000
Corporate bonds	256,000	231,000
Property	128,000	87,000
<b>Total market value of assets</b>	<b>3,206,000</b>	<b>2,890,000</b>

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**24. Pension commitments (continued)**

The actual return on scheme assets was £70,000 (2019 - £166,000).

Expected returns on assets are calculated as follows:

The figures shown in the standard FRS 102 report for fund employers are based on the actuary's recommended return assumptions which are derived from the Hymans Robertson Asset Model (HRAM), the proprietary stochastic asset model developed and maintained by Hymans Robertson LLP.

**Asset model**

The HRAM type of model is known as an economic scenario generator and uses probability distributions to project a range of possible outcomes for the future behaviour of asset returns and economic variables. Some of the parameters of the model are dependent on the current state of financial markets and are updated each month (for example, the current level of equity market volatility) while other more subjective parameters do not change with different calibrations of the model.

Key subjective assumptions are:

- the average excess equity return over the risk free asset (tending to approximately 3% p.a. as the investment horizon is increased),
- the volatility of equity returns (approximately 18% p.a. over the long term) and the level and volatility of yields, credit spreads, inflation and expected (breakeven) inflation, which affect the projected value placed on the liabilities and bond returns.
- the output of the model is also affected by other more subtle effects, such as the correlations between economic and financial variables.

The only exception to the use of HRAM is in deriving the expected return on bond assets: instead of the HRAM output, the actuary has used the yields applicable at the accounting date on suitable bond indices.

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period (i.e. as at 1 September 2019 for the year to 31 August 2020, or date of joining the fund if later).

The amounts recognised in the Statement of Financial Activities are as follows:

	2020 £	2019 £
Current service cost	(720,000)	(539,000)
Past service cost	-	(86,000)
Interest income	56,000	70,000
Interest cost	(113,000)	(127,000)
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>(777,000)</b>	<b>(682,000)</b>

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**24. Pension commitments (continued)**

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

	2020 £	2019 £
<b>At 1 September</b>	<b>5,886,000</b>	4,035,000
Conversion of academy trusts	-	204,000
Current service cost	<b>720,000</b>	539,000
Interest cost	<b>113,000</b>	127,000
Employee contributions	<b>84,000</b>	78,000
Actuarial (gains)/losses	<b>(84,000)</b>	822,000
Benefits paid	<b>(38,000)</b>	(5,000)
Past service costs	-	86,000
<b>At 31 August</b>	<b>6,681,000</b>	5,886,000

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

	2020 £	2019 £
<b>At 1 September</b>	<b>2,891,000</b>	2,211,000
Conversion of academy trusts	-	107,000
Interest income	<b>56,000</b>	70,000
Actuarial (losses)/gains	<b>(154,000)</b>	96,000
Employer contributions	<b>367,000</b>	334,000
Employee contributions	<b>84,000</b>	78,000
Benefits paid	<b>(38,000)</b>	(5,000)
<b>At 31 August</b>	<b>3,206,000</b>	2,891,000

**25. Operating lease commitments**

At 31 August 2020 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	<b>20,495</b>	17,127
Later than 1 year and not later than 5 years	<b>284,823</b>	279,021
	<b>305,318</b>	296,148

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**26. Members' liability**

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

**27. Related party transactions**

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

The Diocese of Leicester Educational Trust are a founding member of the Academy and have the right to appoint the majority of the total Trustee board. Some buildings from which the Academy operates are owned by the Diocese of Leicester. No long leasehold fixed assets are recognised in the financial statements due to the degree of ultimate control over the buildings that lies with the Diocese.

The following related party transactions took place in the period of account:

**Expenditure related party transaction**

The Leicester Diocesan Board of Education is paid a quarterly amount in relation to a maintenance scheme. Payments for the Academy Trust in the were £6,293 (2019: £54,443). At the year end £200 (2019: £NIL) was outstanding.

The purchases were made at arms' length in accordance with its financial regulations. In entering into these transactions the Academy has complied with the requirements of the Academies Financial Handbook 2019.

There were no other related party transactions during the current or prior year, other than certain Trustees' remuneration and expenses already disclosed in Note 12.

**28. Post balance sheet events**

At the balance sheet date the world was suffering a COVID-19 outbreak, and volatility in the economy as a result. The Trustees have considered the effect this may have on the Academy Trust post year end, and although unclear what impact this will have in the longer term they are informed by the Government's guidance that the issue will be time limited. This will continue to be a developing situation and as such a reasonable estimate of the financial effect of this outbreak on the Academy Trust cannot feasibly be made. The Trustees have assessed the situation and on the basis that core funding from both the Government and Local Authorities is expected to continue, they consider the Academy Trust to be a going concern.

