

Company Registration Number: 08540699 (England & Wales)

INSPIRING PRIMARIES ACADEMY TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

INSPIRING PRIMARIES ACADEMY TRUST
(A company limited by guarantee)

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INSPIRING PRIMARIES ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Rev. R Worsfold H K Christie Bishop M Snow G E Read The Diocese of Leicester Education Trust represented by C Lewis
Trustees	G E Read, Chair of Trustees M E Sandford, Chief Executive P Bell (resigned 31 December 2020) K A Campbell J R G Taylor (resigned 25 July 2021) M de Middelaer S J Robson R Howes (resigned 25 July 2021) R Keenan J Clarke (resigned 15 September 2020) E Baines (appointed 20 September 2021)
Company registered number	08540699
Company name	Inspiring Primaries Academy Trust
Principal and registered office	Church Lane Gilmorton Leicestershire LE17 5LU
Company secretary	C Hall
Chief executive officer	M E Sandford
Senior management team	M E Sandford, Chief Executive Officer C Hall, Chief Finance Officer (from 04/01/2021) E Prokipczuk, Executive Principal A Watson, Executive Principal M Howard, Executive Head Teacher V Njoroge, Head Teacher M Nichols, Chief Finance Officer (to 03/01/2021)
Independent auditors	UHY Hacker Young 14 Park Row Nottingham NG1 6GR

INSPIRING PRIMARIES ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year from 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

During the year ending 31 August 2021, 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 1,426 in the schools' census in Autumn 2020.

Structure, governance and management

a. Constitution

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

The charitable company's Memorandum and Articles 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.

The charitable company is known as Inspiring Primaries Academy Trust.

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

b. Members' liability

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

c. Trustees' indemnities

In accordance with normal practice the Trust 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 £5 million and in the year under review the sum of £77 was paid in premiums.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

d. 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.

e. 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 2021

Structure, governance and management (continued)

f. 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 an LGB with an Academy Council.

The 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 Director of Finance and Operations (DFO), the Trust Finance Manager and the Head of SEND and inclusion. The team works directly to the CEO.

g. 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 2021

Structure, governance and management (continued)

h. Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time £

Total cost of facility time	-
Total pay bill	6,424,085
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

i. 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 Leicester & Leicestershire Teaching School Hub, Church of England Foundation for Educational Leadership, Leicestershire Primary Heads and Thomas Estley Learning Alliance in order to provide high quality education.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities

a. 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 wellbeing
- 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.

b. 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.

The Trust has continued to support its beneficiaries during the COVID-19 pandemic through the provision of remote learning for most of its pupils. Provision for pupils of key and vulnerable workers continued to be made available on site within discrete bubbles and school meals were provided for all eligible pupils.

c. Public benefit

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report

Achievements and performance

Due to the Covid-19 pandemic and the partial closure of schools during the spring term 2021 and after the identification of each positive case, no national end of year performance data is available. During all partial closures, high quality remote education was made available for every pupil with reasonable adjustments made for those pupils with special educational needs or disabilities. As a result, it has been possible for the Trust to make comparative judgements at the key assessment points of the end of EYFS, year 1 phonics and at the end of Key Stage 1 and Key Stage 2 in the core areas of reading, writing and mathematics. Additionally, pupil and staff wellbeing remained a key focus throughout the pandemic. The range of surveys undertaken across the Trust highlighted the confidence in the Trust risk mitigation procedures, the emotional support available and the quality of remote learning provided.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Achievements and performance (continued)

a. Key performance indicators

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 2020-21 and reviewing budgets for 2021-22:

Spending as a % of total expenditure	Actual 2020/21	Actual 2019/20
Teaching staff	49.42%	49.19%
Supply staff	0.59%	1.32%
Education support staff	21.26%	18.51%
Administration and clerical staff	6.47%	6.46%
Other staff costs	1.20%	3.53%
Premises, incl. staff costs	8.48%	6.48%
Teaching resources	4.73%	5.31%
Other spending	8.12%	8.12%
Reserves/balances as a % of total income		
In year balance	(0.71)%	0.95%
Revenue reserves	7.94%	9.99%
Trust characteristics		
Average teacher cost	£53,025	£53,999
Senior leaders as % of workforce	13.21%	8.85%
Pupil to teacher ratio	20.63	22
Teacher contact ratio	76%	76%
Average class size	27.32%	26.34

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Achievements and performance (continued)

b. 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

a. 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 should be £480,852 or 8.33% of GAG. Actual free reserves as at 31 August 2021 were £479,008 approximately in line with the target level set by the Trustees. Actions being taken to return the central trust to surplus are considered in the financial review section below.

The Academy also held other available restricted funds at the year end of £105,784 being unspent income grants. Total available reserves, being both the above figures, at 31 August 2021 were £584,792. Cash at bank at 31 August 2021 was £1,473,397, higher than total available reserves due principally to accruals timing differences at the year end.

At 31 August 2021 the Academy's fixed asset reserve of £6,645,134 represented funds which could only be realised if the assets were sold plus unspent funds of £363,207.

The only reserve in deficit at the year end was the pension reserve (deficit of £4,662,000) 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.

b. 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 educational 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 2021

c. 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 2021 the pension deficit on the Local Government Pension Scheme stood at £4,662,000. 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. The 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 2021

d. Financial review

The Academy Trust returned net income for the year amounting to £351,036 (2020: £58,394) before taking into account other gains and losses. Other gains and losses amounting to £766,000 (2020: £70,000) relate solely to actuarial gains/(losses) on the Local Government Pension Scheme and as such are largely outside the direct financial control of the Trust. The deficit on the Local Government Pension Scheme is not immediately repayable and will be recovered over several years by way of increases to the employer's pension contributions which will be determined at the next actuarial valuation in March 2022. The Statement of Financial Activities shows that the Trust had a net reduction in funds for the year ended 31 August 2021 of £414,963 (2020: net reduction in funds of £11,606) including fixed assets movements and pension reserve movements. As at 31 August 2021 the Academy Trust held £479,008 (2020: £510,651) of unrestricted reserves plus £105,784 (2020: £176,027) 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 £584,792 (2020: £686,678).

COVID-19 had a significant financial impact on the Trust during 2020-21 as the Trust incurred additional costs in relation to: enhanced cleaning, additional hours for premises staff supporting the Trust-wide enhanced cleaning regime, cover for staff absences and personal protective equipment for staff. Whilst this has not required us to make any significant amendments to our reserves policy, it has resulted in the Trust carrying forward a lower level of reserves than we had planned when the budget for 2020-21 was approved by the Board. The funds carried forward by each academy are all in surplus with the exception of Inspiring Primaries Academy Trust (the MAT). The deficit in the MAT is due to:

- the very high proportion of outsourced costs provided via the central services budget which are, in many other trusts, charged directly to schools
- Arrangements with some service providers from before the formation of the Trust which are currently part of a services review
- A 3-year planned investment in education services, including SEN assessment support, psychologist and SALT support and 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.

Action is being taken to return the central trust to surplus, including:

- keeping contributions from schools at 6%
- continuing to review what is provided by the 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 immediately, but the Trust's forecasts indicate that the deficit should gradually reduce over the next few years and should be eliminated within three years.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Financial review (Continued)

To assist schools and Trusts to manage the additional costs imposed by COVID-19, additional funding was made available by the Department for Education. The additional funding received by IPAT in 2020-21 amounted to £114,095 as follows:

Catch-up premium	£113,920
Other DfE/ESFA COVID-19 funding	£175
Total	£114,095

The Trust participated in the national free schools meals voucher scheme during the financial year but this did not result in any additional exceptional expenditure or additional funding for the Trust.

Support to help disadvantaged pupils and young people with remote and face-to-face education during the COVID-19 pandemic was also provided by the DfE via the provision of laptops and tablets. The Trust received 88 chromebooks through participation in the DfE scheme. These have been loaned to pupils and the fair value of the chromebooks capitalised within fixed assets and depreciated in line with the Trust's depreciation policy for similar (purchased) items.

During the year, the trust received confirmation from the local authority of s106 funding for the construction of an extension at All Saints CE School, Sapcote to accommodate the growth of the school to 420 pupil places. The growth project was at the request of the local authority and was approved by the Department for Education. The initial phase of the expansion project is scheduled to be completed during the Autumn term and its cost is reflected in leasehold improvements in the balance sheet. The next phase of the expansion will be completed during 2021-22. The Academy Trust had a pension deficit on their Local Government Pension Scheme of £4,662,000 at 31 August 2021 and a fixed asset reserve of £6,645,134, being the book value of past purchases plus unspent funds of £363,207.

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 Government and Local Authorities is currently expected to continue. The principal 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Fundraising

The Trust does not yet have a co-ordinated fundraising approach and during the year to 31st August 2021 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 out approximately 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.

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TRUSTEES' REPORT (CONTINUED)
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Auditors

The auditors, UHY Hacker Young, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 8 December 2021 and signed on its behalf by:



.....
G E Read
Chair of Trustees



.....
M E Sandford
Chief Executive

INSPIRING PRIMARIES ACADEMY TRUST
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GOVERNANCE STATEMENT

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 Chief Executive, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between 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.

INSPIRING PRIMARIES ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 6 times during the year.

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

Trustee	Meetings attended	Out of a possible
G E Read, Chair of Trustees	4	6
M E Sandford, Chief Executive	6	6
P Bell (resigned 31 December 2020)	0	2
K A Campbell	4	6
J R G Taylor (resigned 25 July 2021)	6	6
M de Middelaer	6	6
S J Robson	6	6
R Howes (resigned 25 July 2021)	6	6
R Keenan	3	6
J Clarke (resigned 15 September 2020)	0	0
E Baines (appointed 20 September 2021)	0	0

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;
- the Trust Board intends to carry out its next self-evaluation of governance in 2022.

The Finance and General Purposes Committee is a sub-committee of the main Board of Trustees. Its purpose is to advise the Board of Trustees on the Trust's assurance framework and the provision of the opinion in the annual accounts, and on the Trust's financial matters as a whole. The committee will also deal with such other financial or audit matters as may from time to time be referred to the Committee for consideration or approval.

INSPIRING PRIMARIES ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
P Bell (resigned 31 December 2020)	1	5
R Howes (resigned 25 July 2021)	3	4
JRG Taylor (resigned 25 July 2021)	4	4
R Keenan	4	5
GE Read	1	1

INSPIRING PRIMARIES ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

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

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;
- Co-ordinated 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 national leaders of education, specialist leaders of education, evidence leaders in education and/or Inspiring Primaries leaders of education;
 - d. Action plans are implemented and progress against these is 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.

INSPIRING PRIMARIES ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

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 outturn. The Executive Principals/Headteachers brief their Local Governing Bodies on the financial position and discuss 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 Operations to Maximise Use of Resources:

The Trust strategic leadership review expenditure within each budget heading on at least 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.

Procurement policy note (PPN) 04/20, supported by additional DfE guidance, set out information and guidance for public bodies on payment of their suppliers to ensure service continuity during the pandemic. The PPN expired on 31 October 2020. Following the expiration of the PPN, Department for Education (DfE) published further guidance in February 2021 to help schools (including academy trusts) understand how they should support suppliers through the pandemic. During 2020-21, the Trust reviewed its suppliers and concluded that it would be appropriate to make payments in advance of need to secure continuity of supply of critical services in the medium term to the following suppliers/supplies:

- Cleaning services
- Catering services
- IT support

The Trust also deferred some of the services of its educational psychology service provider.

There was no major adverse impact of COVID-19 on VFM as we were able to negotiate for the removal of the profit element in these contracts and paid solely for staffing and overheads.

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 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

INSPIRING PRIMARIES ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

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 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

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

The Board of Trustees has decided to employ TIAA as internal auditor.

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

- testing of key financial controls relating to budgetary control and procurement
- testing of cyber security arrangements
- testing of governance arrangements and risk management

On an annual basis, the internal auditor reports to the Board of Trustees through the Finance and Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees financial responsibilities and annually prepares a short annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The board is satisfied that TIAA has delivered their schedule of work as planned. The latest internal audits were carried out in June to August 2021 and recommendations presented to the Finance & Audit Committee in August and December 2021. No material control issues were identified as a result of the internal auditors' review work and Trustees approved management responses and the associated timeline for completion of all identified recommendations. 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.

INSPIRING PRIMARIES ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)


Review of effectiveness


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

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

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

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


.....
GE Read
Chair of Trustees


.....
ME Sandford
Accounting Officer

Date: 8 December 2021

INSPIRING PRIMARIES ACADEMY TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Inspiring Primaries Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding 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 2020.

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 2020.

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: 8 December 2021

INSPIRING PRIMARIES ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

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 2020 to 2021;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 and signed on its behalf by:



GE Read
Chair of Trustees

Date: 8 December 2021

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INSPIRING PRIMARIES
ACADEMY TRUST**

FOR THE YEAR ENDED 31 AUGUST 2021

Opinion

We have audited the accounts of Inspiring Primaries Academy Trust for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the academy trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INSPIRING PRIMARIES
ACADEMY TRUST (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2021

Other information

The trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INSPIRING PRIMARIES
ACADEMY TRUST (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the accounts

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

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

Based on our understanding of the charitable company and the industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to:

- child protection,
- the funding agreement,
- academies accounts direction 2020-2021,
- the academies financial handbook 2020,
- employment and health and safety regulation,
- anti-bribery, corruption and fraud,

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INSPIRING PRIMARIES
ACADEMY TRUST (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to inflated income and surplus. Audit procedures performed included:

- review of the financial statement disclosures to underlying supporting documentation,
- enquiries of management,
- testing of journals and evaluating whether there was evidence of bias by the senior leadership team that represented a risk of material misstatement due to fraud
- evaluation of the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- review of correspondence and reports to the regulator, including correspondence with the Education and Skills Funding Agency and
- review of internal audit reports in so far as they related to the financial statements.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INSPIRING PRIMARIES
ACADEMY TRUST (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2021

Use of our report

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

Elizabeth M Searby

**Elizabeth Searby (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young**

8.12.21
.....

**Chartered Accountants
Statutory Auditor**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON
REGULARITY TO INSPIRING PRIMARIES ACADEMY TRUST AND THE EDUCATION
AND SKILLS FUNDING AGENCY
FOR THE YEAR ENDED 31 AUGUST 2021**

In accordance with the terms of our engagement letter dated 22 April 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, 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 period 1 September 2020 to 31 August 2021 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 the 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 2020, 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 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON
REGULARITY TO INSPIRING PRIMARIES ACADEMY TRUST AND THE EDUCATION
AND SKILLS FUNDING AGENCY (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

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

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material irregularity and impropriety within the trust.
- Testing of those areas identified through risk assessment, including reviewing internal controls, analytical review and enquiries of management.
- Consideration of the evidence and concluding on the work carried out.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

UHY Hacker Young

Reporting Accountant

UHY Hacker Young
14 Park Row
Nottingham
NG1 6GR

Dated: 8 December 2021

INSPIRING PRIMARIES ACADEMY TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants	3	1,666	54,134	1,221,358	1,277,158	796,222
Charitable activities	4	14,110	7,233,989	-	7,248,099	6,845,972
Other trading activities	5	49,319	-	-	49,319	50,132
Investments	6	149	-	-	149	1,258
Total income		65,244	7,288,123	1,221,358	8,574,725	7,693,584
Expenditure on:						
Raising funds		2,955	-	-	2,955	51,529
Charitable activities		(410)	7,824,158	396,986	8,220,733	7,583,661
Total expenditure	7	2,545	7,824,158	396,986	8,223,689	7,635,190
Net income/(expenditure)		62,699	(536,035)	824,372	351,036	58,394
Transfers between funds	18	(94,340)	44,791	49,549	-	-
Net movement in funds before other recognised gains/(losses)		(31,641)	(491,244)	873,921	351,036	58,394
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	25	-	(766,000)	-	(766,000)	(70,000)
Net movement in funds		(31,641)	(1,257,244)	873,921	(414,964)	(11,606)

INSPIRING PRIMARIES ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Reconciliation of funds:					
Total funds brought forward	510,651	(3,298,973)	5,771,213	2,982,891	2,994,497
Net movement in funds	(31,641)	(1,257,244)	873,921	(414,964)	(11,606)
Total funds carried forward	<u>479,010</u>	<u>(4,556,217)</u>	<u>6,645,134</u>	<u>2,567,927</u>	<u>2,982,891</u>

INSPIRING PRIMARIES ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 08540699

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	6,281,927	5,710,242
		<u>6,281,927</u>	<u>5,710,242</u>
Current assets			
Debtors	15	291,631	444,532
Cash at bank and in hand		1,473,398	1,290,276
		<u>1,765,029</u>	<u>1,734,808</u>
Creditors: amounts falling due within one year	16	(817,030)	(987,159)
Net current assets		<u>947,999</u>	<u>747,649</u>
Total assets less current liabilities		<u>7,229,926</u>	<u>6,457,891</u>
Net assets excluding pension liability		<u>7,229,926</u>	<u>6,457,891</u>
Defined benefit pension scheme liability	25	(4,662,000)	(3,475,000)
Total net assets		<u><u>2,567,926</u></u>	<u><u>2,982,891</u></u>

INSPIRING PRIMARIES ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 08540699

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

	Note		2021 £	2020 £
Funds of the Academy Trust				
Restricted funds:				
Fixed asset funds	18	6,645,134	5,771,213	
Restricted income funds	18	105,784	176,027	
Restricted funds excluding pension asset	18	<u>6,750,918</u>	<u>5,947,240</u>	
Pension reserve	18	(4,662,000)	(3,475,000)	
Total restricted funds	18		<u>2,088,918</u>	2,472,240
Unrestricted income funds	18		479,008	510,651
Total funds			<u><u>2,567,926</u></u>	<u><u>2,982,891</u></u>

The financial statements on pages 32 to 73 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



G E Read
Chair of Trustees

Date: 8 December 2021

INSPIRING PRIMARIES ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	20	(69,721)	106,155
Cash flows from investing activities	21	252,844	(127,862)
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		183,123	(21,707)
Cash and cash equivalents at the beginning of the year		1,290,275	1,311,982
	22, 23	<hr/> <u>1,473,398</u>	<hr/> <u>1,290,275</u>

INSPIRING PRIMARIES ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies

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

1.1 Basis of preparation 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 2020 to 2021 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 and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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.

• **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.

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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.4 Expenditure (continued)

- **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 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.

1.6 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. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.6 Tangible fixed assets (continued)

Depreciation is provided on the following basis:

Leasehold land	-	over the life of the lease
Long-term leasehold buildings	-	2% straight line
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.

The freehold of the premises occupied by six of the trust's schools is owned by the diocese and the schools occupy the premises under licence as evidenced in supplemental agreements between the academy, the church trustees and the Secretary of State. The supplemental agreements set out the church's undertaking to the Secretary of State to make the premises available to the academy trust and the notice period which the church needs to give in order to terminate the arrangement (generally two years). These premises have not been recognised as fixed assets on the basis that the trust's rights over the premises do not meet the definition of an asset as defined by FRS 102.

Similarly, one of the schools occupies premises where the freehold is owned by an educational charity and it is not considered that the trust's rights over the premises meet the definition of an asset as defined by FRS 102.

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

1.7 Liabilities

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.8 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.

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.

1.9 Pensions Benefits

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

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.10 Fund accounting

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

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

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

1.11 Leased assets

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
FOR THE YEAR ENDED 31 AUGUST 2021

2. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

Defined benefit pension scheme

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

3. Income from donations and capital grants

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Other donations	1,666	54,134	-	55,800
Capital grants	-	-	1,199,339	1,199,339
Donated fixed assets	-	-	22,019	22,019
	<u>1,666</u>	<u>54,134</u>	<u>1,221,358</u>	<u>1,277,158</u>
	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Donations	32,468	56,314	-	88,782
Capital grants	-	-	707,439	707,439
	<u>32,468</u>	<u>56,314</u>	<u>707,439</u>	<u>796,221</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

4. Funding for the Academy Trust's educational operations

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
DfE/ESFA grants			
General annual grant	-	5,772,541	5,772,541
Other DfE/ESFA grants			
Other DfE Group Grants	-	3,882	3,882
Rates Reclaim	-	23,026	23,026
UIFSM	-	218,525	218,525
Pupil Premium	-	296,706	296,706
Teachers Pay Grant	-	268,430	268,430
PE and Sports Grant	-	155,760	155,760
Supplementary free school meals	-	14,850	14,850
	-	6,753,720	6,753,720
Other Government grants			
Local authority grants	-	297,175	297,175
Other income from the Academy Trust's educational operations	14,110	68,999	83,109
COVID-19 additional funding (DfE/ESFA)			
Catch-up Premium	-	113,920	113,920
Other DfE/ESFA COVID-19 funding	-	175	175
	-	114,095	114,095
	14,110	7,233,989	7,248,099

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

4. Funding for the Academy Trust's educational operations (continued)

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
DfE/ESFA grants			
General annual grant	-	5,574,922	5,574,922
Other DfE/ESFA grants			
Rates Reclaim	-	22,001	22,001
Other DfE Group Grants	-	58,911	58,911
UIFSM	-	225,372	225,372
Pupil Premium	-	290,774	290,774
Teachers Pay Grant	-	264,832	264,832
PE and Sports Grant	-	155,970	155,970
	-	6,592,782	6,592,782
Other Government grants			
Local authority grants	-	231,081	231,081
Other income from the Academy Trust's educational operations	20,308	-	20,308
COVID-19 additional funding (DfE/ESFA)			
Catch-up Premium	-	1,801	1,801
	-	1,801	1,801
	<u>20,308</u>	<u>6,825,664</u>	<u>6,845,972</u>

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the academy trust's funding for Universal Infant Free School Meals and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

Other income from the Academy Trusts educational operations comprises insurance income arising on claims made in the year.

The academy received £113k of funding for catch-up premium and costs incurred in respect of the funding totalled £113k. The academy received £175 for extra free school meals support, helping to meet the additional cost of provision to pupils at home during coronavirus attendance restrictions for the period 4 January 2021 to the start of the Easter holidays. This was fully spent in the year.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

5. Income from other trading activities

	Unrestricted funds 2021 £	Total funds 2021 £
Lettings income	23,283	23,283
Consultancy income	7,575	7,575
Fundraising income	7,111	7,111
Sundry income	11,350	11,350
	<u>49,319</u>	<u>49,319</u>

	Unrestricted funds 2020 £	Total funds 2020 £
Lettings income	14,773	14,773
Consultancy income	7,303	7,303
Fundraising income	17,032	17,032
Sundry income	11,024	11,024
	<u>50,132</u>	<u>50,132</u>

6. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £
Bank interest	149	149
	<u>149</u>	<u>149</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

7. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £
Expenditure on raising funds:				
Allocated support costs	938	-	2,017	2,955
Expenditure on fundraising trading activities:				
Allocated support costs	-	-	-	-
Educational operations:				
Direct costs	3,060,707	10,302	1,027,762	4,098,771
Allocated support costs	3,362,440	371,387	388,135	4,121,962
	<u>6,424,085</u>	<u>381,689</u>	<u>1,417,914</u>	<u>8,223,688</u>
	<u>6,424,085</u>	<u>381,689</u>	<u>1,417,914</u>	<u>8,223,688</u>
	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £
Expenditure on raising funds:				
Allocated support costs	26,901	-	23,828	50,729
Expenditure on fundraising trading activities:				
Allocated support costs	-	-	800	800
Educational operations:				
Direct costs	2,892,000	9,740	936,500	3,838,240
Allocated support costs	3,052,300	303,555	389,566	3,745,421
	<u>5,971,201</u>	<u>313,295</u>	<u>1,350,694</u>	<u>7,635,190</u>
	<u>5,971,201</u>	<u>313,295</u>	<u>1,350,694</u>	<u>7,635,190</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

8. Charitable activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Educational operations	<u>4,098,771</u>	<u>4,121,963</u>	<u>8,220,734</u>

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Educational operations	<u>3,838,240</u>	<u>3,745,421</u>	<u>7,583,661</u>

Analysis of support costs

	Total funds 2021 £	Total funds 2020 £
Staff costs	3,362,440	3,038,581
Depreciation	97,941	76,650
Technology costs	15,726	26,619
Other support costs	246,009	273,637
Property costs	348,244	273,876
Governance costs	51,602	56,058
	<u>4,121,962</u>	<u>3,745,421</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Operating lease rentals	10,302	9,740
Depreciation of tangible fixed assets	396,986	306,598
Fees paid to auditors for:		
- audit	21,500	24,000
- other services	-	4,800
	<u> </u>	<u> </u>

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	4,555,351	4,276,914
Social security costs	369,683	350,203
Pension costs	1,499,051	1,330,365
	<u>6,424,085</u>	<u>5,957,482</u>
Agency staff costs	-	13,719
	<u>6,424,085</u>	<u>5,971,201</u>

b. Staff numbers

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

	2021 No.	2020 No.
Teachers	64	64
Administration and support	147	144
Management	14	14
	<u>225</u>	<u>222</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

10. Staff (continued)

c. Higher paid staff

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	3	3
In the band £90,001 - £100,000	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 £512,503 (2020 £594,390).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

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 licences and support
- Others as arising

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

6% of GAG funding (2020: 6%)

The actual amounts charged during the year were as follows:

	2021 £	2020 £
All Saints Church of England Primary School	61,982	56,038
Claybrooke Primary School	21,423	22,587
Dunton Bassett Primary School	26,760	28,877
Gilmorton Chandler Church of England Primary School	51,041	48,927
John Wycliffe Primary School	64,023	60,563
Sharnford Primary School	27,558	24,414
St Margaret's Church of England Primary School	51,950	50,251
St Mary's Church of England Primary School	28,693	29,304
Ulfesthorpe Primary School	29,920	29,112
Total	363,350	350,073

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:

		2021 £	2020 £
M E Sandford, Chief Executive	Remuneration	95,000 - 100,000	90,000 - 95,000
	Pension contributions paid	20,000 - 25,000	20,000 - 25,000

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

12. Trustees' remuneration and expenses (continued)

During the year ended 31 August 2021, no Trustee expenses have been incurred (2020 - £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 £5,000,000 on any one claim and the cost for the year ended 31 August 2021 was £77 (2020 - £1,177). The cost of this insurance is included in the total insurance cost.

14. Tangible fixed assets

	Long-term leasehold property £	Leasehold improvements £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2020	3,701,100	2,046,090	524,120	192,240	6,463,550
Additions	-	705,834	126,637	136,200	968,671
At 31 August 2021	3,701,100	2,751,924	650,757	328,440	7,432,221
Depreciation					
At 1 September 2020	199,245	203,392	226,980	123,691	753,308
Charge for the year	66,528	164,873	92,489	73,096	396,986
At 31 August 2021	265,773	368,265	319,469	196,787	1,150,294
Net book value					
At 31 August 2021	3,435,327	2,383,659	331,288	131,653	6,281,927
At 31 August 2020	3,501,855	1,842,698	297,140	68,549	5,710,242

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

14. Tangible fixed assets (continued)

The Academy Trust's transactions relating to land and buildings included:

- CIF-funded works at St. Mary's CE Primary School, Bitteswell with a value of £57,329
- CIF-funded works at Dunton Bassett Primary School with a value of £6,205
- CIF-funded works at John Wycliffe Primary School with a value of £117,811
- CIF-funded works at All Saints CE Primary School in Sapcote with a value of £18,112
- CIF-funded works at St Margaret's CE Primary School in Stoke Golding with a value of £79,031
- s.106 funded building work at All Saints CE Primary School in Sapcote and Gilmorton Chandler CE Primary School to support school expansion with a value of £427,325.

The freehold of the premises occupied by six of the trust's schools is owned by the diocese and the schools occupy the premises under licence as evidenced in supplemental agreements between the academy, the church trustees and the Secretary of State. The supplemental agreements set out the church's undertaking to the Secretary of State to make the premises available to the academy trust and the notice period which the church needs to give in order to terminate the arrangement (generally two years). These premises have not been recognised as fixed assets on the basis that the trust's rights over the premises do not meet the definition of an asset as defined by FRS 102.

Similarly, one of the schools occupies premises where the freehold is owned by an educational charity and it is not considered that the trust's rights over the premises meet the definition of an asset as defined by FRS 102.

15. Debtors

	2021	2020
	£	£
Due within one year		
Trade debtors	6,917	8,339
Other debtors	234	130
Prepayments and accrued income	188,324	311,631
Tax recoverable	96,156	124,432
	291,631	444,532

16. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Trade creditors	275,387	478,229
Other creditors	208,948	192,060
Accruals and deferred income	332,695	316,870
	817,030	987,159

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

16. Creditors: Amounts falling due within one year (Continued)

	2021 £	2020 £
Deferred income at 1 September 2020	181,146	157,626
Resources deferred during the year	145,617	181,146
Amounts released from previous periods	(181,146)	(157,626)
	<u>145,617</u>	<u>181,146</u>

The closing balance of deferred income mainly relates to Universal Infant Free School Meals and residential trips income received in advance of the trips taking place.

17. Financial instruments

	2021 £	2020 £
Financial assets		
Financial assets measured at fair value through income and expenditure	<u>1,473,398</u>	<u>1,290,276</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

18. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
General funds	510,651	65,243	(2,546)	(94,340)	-	479,008
Restricted general funds						
General Annual Grant (GAG)	92	5,772,541	(5,837,586)	64,953	-	-
Pupil Premium	41,250	296,706	(313,300)	-	-	24,656
Other DfE Group Grants	-	3,882	(3,882)	-	-	-
Other Government Grants	-	297,175	(297,175)	-	-	-
Donations	48,777	54,134	(57,749)	(20,162)	-	25,000
Catch-up premium	-	113,920	(113,920)	-	-	-
Rates reclaim	-	23,026	(23,026)	-	-	-
UIFSM	-	218,525	(218,525)	-	-	-
PE and Sports Grant	85,908	155,760	(185,540)	-	-	56,128
Teachers pay grant	-	268,430	(268,430)	-	-	-
Supplementary free school meals	-	14,850	(14,850)	-	-	-
Insurance claim	-	68,999	(68,999)	-	-	-
Extra free school meals	-	175	(175)	-	-	-
Pension reserve	(3,475,000)	-	(421,000)	-	(766,000)	(4,662,000)
	<u>(3,298,973)</u>	<u>7,288,123</u>	<u>(7,824,157)</u>	<u>44,791</u>	<u>(766,000)</u>	<u>(4,556,216)</u>

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18. Statement of funds (continued)

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Restricted fixed asset funds						
DfE Group Capital Grants	171,011	73,684	(40,170)	(36,189)	-	168,336
Transfer from Local Authority	3,562,722	-	(96,770)	-	-	3,465,952
Academies Capital Maintenance Fund	31,278	-	(9,674)	-	-	21,604
Condition Improvement Fund	892,761	337,983	(106,978)	33,969	-	1,157,735
Other Government Grants	1,050,385	809,691	(116,334)	(11,129)	-	1,732,613
Capital expenditure from reserves	63,056	-	(27,060)	62,898	-	98,894
	<u>5,771,213</u>	<u>1,221,358</u>	<u>(396,986)</u>	<u>49,549</u>	<u>-</u>	<u>6,645,134</u>
Total Restricted funds	<u>2,472,240</u>	<u>8,509,481</u>	<u>(8,221,143)</u>	<u>94,340</u>	<u>(766,000)</u>	<u>2,088,918</u>
Total funds	<u><u>2,982,891</u></u>	<u><u>8,574,724</u></u>	<u><u>(8,223,689)</u></u>	<u><u>-</u></u>	<u><u>(766,000)</u></u>	<u><u>2,567,926</u></u>

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

Restricted funds

The General Annual Grant (GAG) relates to the schools' 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 consist 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

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18. Statement of funds (continued)

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.

Insurance claim income relates to claims made in relation to ill-health early retirement for a member of staff. These funds were spent in full in the financial year.

The pension reserve relates to the Trust's share of the deficit of the Local Government Pension Scheme. The actuarial valuation resulting in the pension deficit and the corresponding liability on the balance sheet do not result in an immediate cash flow impact on the Trust as it is not a liability that must be settled immediately. It is likely that the next actuarial valuation of the scheme in March 2022 will result in increased contributions to the scheme over a period of years.

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 plus unspent funds amounting to £3,127.

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.

The balance carried forward within other government grants relates to the net book value of assets inherited from the Local Authority plus unspent s.106 funding received from the Local Authority to fund expansion works at All Saints CE Primary School in Sapcote. These funds are committed to completion of the expansion works in 2021/22.

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 2021.

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18. Statement of funds (continued)

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

	<i>Balance at 1 September 2019</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2020</i>
	£	£	£	£	£	£
Unrestricted funds						
General funds	<u>598,056</u>	<u>105,969</u>	<u>(77,577)</u>	<u>(115,797)</u>	<u>-</u>	<u>510,651</u>
Restricted general funds						
General Annual Grant (GAG)	15,751	5,596,921	(5,641,805)	29,225	-	92
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>6,880,175</u>	<u>(7,250,923)</u>	<u>29,225</u>	<u>(70,000)</u>	<u>(3,298,973)</u>

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

	<i>Balance at 1 September 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2020 £</i>
Restricted fixed asset funds						
DfE Group Capital Grants	174,961	51,694	(34,172)	(21,472)	-	171,011
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 reserves	84,330	-	(21,274)	-	-	63,056
	<u>5,283,800</u>	<u>707,439</u>	<u>(306,598)</u>	<u>86,572</u>	<u>-</u>	<u>5,771,213</u>
Total Restricted funds	<u>2,396,350</u>	<u>7,587,614</u>	<u>(7,557,521)</u>	<u>115,797</u>	<u>(70,000)</u>	<u>2,472,240</u>
Total funds	<u><u>2,994,406</u></u>	<u><u>7,693,583</u></u>	<u><u>(7,635,098)</u></u>	<u><u>-</u></u>	<u><u>(70,000)</u></u>	<u><u>2,982,891</u></u>

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18. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2021 £	2020 £
Inspiring Primaries Academy Trust (MAT)	(55,535)	(55,564)
All Saints Church of England Primary School	10,713	69,984
Claybrooke Primary School	80,706	57,915
Dunton Bassett Primary school	59,756	78,460
Gilmorton Chandler Church of England Primary School	56,164	56,321
John Wycliffe Primary School	106,084	129,599
Sharnford Primary School	54,000	74,323
St Margaret's Church of England Primary School	80,483	94,350
St Mary's Church of England Primary School, Bitteswell	64,827	75,362
Ullesthorpe Primary School	127,595	105,928
Total before fixed asset funds and pension reserve	584,793	686,678
Restricted fixed asset fund	6,645,134	5,771,213
Pension reserve	(4,662,000)	(3,475,000)
Total	2,567,927	2,982,891

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

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

	Deficit £
Inspiring Primaries Academy Trust (MAT)	(55,535)

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 which are currently part of a services review
 - As a 3-year planned investment in education services, including SEN assessment support, psychologist and SALT support and 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:

- reviewing all of its services, centrally and at school level, and re-tendering as appropriate
- keeping contributions from schools at 6%
- continuing to review what is provided by the 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 immediately, but the Trust's forecasts indicate that the deficit should gradually reduce over the next few years and should be eliminated within three years.

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

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2021 £
Inspiring Primaries Academy Trust (MAT)	119,906	109,496	21,973	130,749	382,124
All Saints Church of England Primary School	1,006,959	118,657	55,418	165,051	1,346,085
Claybrooke Primary School	263,523	57,723	21,492	54,358	397,096
Dunton Bassett Primary school	442,583	61,299	21,150	81,791	606,823
Gilmorton Chandler Church of England Primary School	725,566	105,654	41,338	116,472	989,030
John Wycliffe Primary School	977,043	116,587	31,082	122,687	1,247,399
Sharnford Primary School	409,487	65,333	45,401	79,784	600,005
St Margaret's Church of England Primary School	807,623	143,726	48,606	109,889	1,109,844
St Mary's Church of England Primary School, Bitteswell	417,155	71,118	24,280	66,018	578,571
Ullesthorpe Primary School	396,345	70,303	31,567	71,510	569,725
Academy Trust	5,566,190	919,896	342,307	998,309	7,826,702

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

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

	<i>Teaching and educational support staff costs £</i>	<i>Other support staff costs £</i>	<i>Educational supplies £</i>	<i>Other costs excluding depreciation £</i>	<i>Total 2020 £</i>
Inspiring Primaries Academy Trust (MAT)	495,406	66,789	48,452	126,031	736,678
All Saints Church of England Primary School	843,249	103,264	47,262	153,797	1,147,572
Claybrooke Primary School	277,923	45,167	27,521	54,806	405,417
Dunton Bassett Primary school	334,933	57,561	27,519	79,070	499,083
Gilmorton Chandler Church of England Primary School	650,975	90,272	39,872	120,231	901,350
John Wycliffe Primary School	860,030	101,729	40,666	126,457	1,128,882
Sharnford Primary School	320,297	49,533	39,085	72,815	481,730
St Margaret's Church of England Primary School	675,057	125,826	38,258	116,733	955,874
St Mary's Church of England Primary School, Bitteswell	386,569	90,519	24,941	65,926	567,955
Ullesthorpe Primary School	336,546	59,467	37,277	70,670	503,960
Academy Trust	5,180,985	790,127	370,853	986,536	7,328,501

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	6,281,927	6,281,927
Current assets	479,008	922,814	363,207	1,765,029
Creditors due within one year	-	(817,030)	-	(817,030)
Provisions for liabilities and charges	-	(4,662,000)	-	(4,662,000)
Total	479,008	(4,556,216)	6,645,134	2,567,926

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	5,710,242	5,710,242
Current assets	510,651	1,163,186	60,971	1,734,808
Creditors due within one year	-	(987,160)	-	(987,160)
Provisions for liabilities and charges	-	(3,475,000)	-	(3,475,000)
Total	510,651	(3,298,974)	5,771,213	2,982,890

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

20. Reconciliation of net income to net cash flow from operating activities

	2021 £	2020 £
Net income for the year (as per Statement of financial activities)	351,036	58,394
Adjustments for:		
Depreciation	396,986	306,598
Capital grants from DfE and other capital income	(1,221,358)	(707,439)
Interest receivable	(149)	(1,258)
Defined benefit pension scheme cost less contributions payable	359,000	353,000
Defined benefit pension scheme finance cost	62,000	57,000
Decrease in debtors	152,893	329,443
Decrease in creditors	(170,129)	(289,583)
Net cash (used in)/provided by operating activities	(69,721)	106,155

21. Cash flows from investing activities

	2021 £	2020 £
Dividends, interest and rents from investments	149	1,258
Purchase of tangible fixed assets	(946,652)	(836,559)
Capital grants from DfE Group	1,199,347	707,439
Net cash provided by/(used in) Investing activities	252,844	(127,862)

22. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	1,473,398	1,290,275
Total cash and cash equivalents	1,473,398	1,290,275

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

23. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	1,290,276	183,122	1,473,398
	<u>1,290,276</u>	<u>183,122</u>	<u>1,473,398</u>

24. Capital commitments

	2021 £	2020 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	395,144	286,229
	<u>395,144</u>	<u>286,229</u>

25. 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 2019.

Contributions amounting to £185,867 were payable to the schemes at 31 August 2021 (2020 - £109,223) 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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25. 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 £473,937 (2020 - £427,765).

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 2021 was £583,000 (2020 - £451,000), of which employer's contributions totalled £489,000 (2020 - £367,000) and employees' contributions totalled £ 94,000 (2020 - £84,000). The agreed contribution rates for future years are 25.4 - 26.4 per cent for employers and 5.5 - 12.5 per cent for employees.

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

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**NOTES TO THE FINANCIAL STATEMENTS
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25. Pension commitments (continued)

Principal actuarial assumptions

Local Government Pension Scheme

	2021	2020
	%	%
Rate of Increase in salaries	3.4	2.7
Rate of increase for pensions in payment/inflation	2.9	2.2
Discount rate for scheme liabilities	1.65	1.7
Inflation assumption (CPI)	2.9	2.2
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:

	2021	2020
	Years	Years
<i>Retiring today</i>		
Males	21.7	21.5
Females	24.2	23.8
<i>Retiring in 20 years</i>		
Males	22.6	22.2
Females	25.9	25.2

Sensitivity analysis

Local Government Pension Scheme

	2021	2020
	£000	£000
Discount rate +/-0.1%	218	166
Salary increase rate +/-0.1%	17	15
Pension increase +/-0.1%	198	148

Share of scheme assets

The employer's share of the fair value of plan assets is less than 1% of the Fund's total.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

25. Pension commitments (continued)

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

	2021 £	2020 £
Equities	2,618,000	1,892,000
Bonds	1,309,000	930,000
Property	316,000	256,000
Cash	271,000	128,000
Total market value of assets	<u><u>4,514,000</u></u>	<u><u>3,206,000</u></u>

The actual return on scheme assets was £762,000 (2020 - £98,000 deficit).

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

	2021 £	2020 £
Current service cost	(780,000)	(720,000)
Past service cost	(68,000)	-
Interest income	59,000	56,000
Interest cost	(121,000)	(113,000)
Total amount recognised in the Statement of Financial Activities	<u><u>(910,000)</u></u>	<u><u>(777,000)</u></u>

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

	2021 £	2020 £
At 1 September	6,681,000	5,886,000
Past service cost	68,000	-
Current service cost	780,000	720,000
Interest cost	121,000	113,000
Employee contributions	94,000	84,000
Actuarial losses/(gains)	1,469,000	(84,000)
Benefits paid	(37,000)	(38,000)
At 31 August	<u><u>9,176,000</u></u>	<u><u>6,681,000</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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25. Pension commitments (continued)

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

	2021 £	2020 £
At 1 September	3,206,000	2,891,000
Interest income	59,000	56,000
Actuarial gains/(losses)	703,000	(154,000)
Employer contributions	489,000	367,000
Employee contributions	94,000	84,000
Benefits paid	(37,000)	(38,000)
At 31 August	<u>4,514,000</u>	<u>3,206,000</u>

Valuation of the Local Government Pension Scheme

Expected returns on assets are calculated as follows:

The figures 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.

26. Operating lease commitments

At 31 August 2021 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	23,046	23,046
Later than 1 year and not later than 5 years	51,131	60,479
Later than 5 years	204,000	216,000
	<u>278,177</u>	<u>299,525</u>

27. 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.

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NOTES TO THE FINANCIAL STATEMENTS
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28. 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 financial year:

Expenditure related party transaction

The Trust pays the Leicester Diocesan Board of Education (LDBE) for partnership agreements for the Church-led schools. In addition, payments are made to the LDBE in respect of authorisations for capital works on Church-owned schools and for staff and governor training. Payments for the Academy Trust in the year amounted to £7,284 (2020: £6,293). At the year end, £nil (2020: £200) was outstanding.

The purchases were made at arm's length in accordance with the Trust's financial regulations. In entering into these transactions the Academy has complied with the requirements of the Academies Financial Handbook 2020.

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.

Income related party transaction

During the year LDBE refunded £6,705 in respect of the VAT incurred in connection with building works carried out at All Saints CE Primary School, Sapcote prior to the school joining the trust.