REGISTERED COMPANY NUMBER: 08540699 (England and Wales)

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017
FOR
INSPIRING PRIMARIES ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
PREVIOUSLY KNOWN AS
GILMORTON CHANDLER CHURCH OF ENGLAND
PRIMARY SCHOOL

Magma Audit LLP
Magma House
16 Davy Court
Castle Mound Way
Rugby
CV23 0UZ

INSPIRING PRIMARIES ACADEMY TRUST

CONTENTS OF THE FINANCIAL STATEMENTS
for the Year Ended 31 August 2017

INSPIRING PRIMARIES ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017

MEMBERS	T Stafford (appointed 13.7.17) H K Christie (appointed 24.7.17) M Snow (appointed 13.7.17) N A Robbins (resigned 12.7.17) G E Read (appointed 28.9.16) The Diocese of Leicester Education Trust
TRUSTEES	S Baigent (resigned 25.7.17) P Bell J D Bone (resigned 6.9.16) K A Campbell (appointed 26.7.17) H K Christie (resigned 27.9.16) E L Davies (resigned 25.7.17) E J Durnin (appointed 28.9.16) (resigned 25.7.17) D L Hone (resigned 5.7.17) D Moore (resigned 25.7.17) K J Morgan (resigned 5.7.17) G E Read (appointed 28.9.16) N A Robbins (resigned 25.7.17) M E Sandford (CEO) A D Shields (resigned 25.7.17) J Smith (resigned 25.7.17) W J Thompson (appointed 28.9.16) (resigned 25.7.17) J R G Taylor (appointed 26.7.17) I H Baines (appointed 26.7.17) J Robson (appointed 26.7.17) R Howes (appointed 26.7.17) D O Wright (appointed 26.7.17) P A Grimwood (appointed 26.7.17) J Clarke (appointed 26.7.17)
SENIOR MANAGEMENT TEAM	M Nichols (CFO) A D Shields (Assistant Headteacher) (resigned 25.7.17) M E Sandford (CEO)
REGISTERED OFFICE	Church Lane Gilmorton Lutterworth Leicestershire LE17 5EU
REGISTERED COMPANY NUMBER	08540699 (England and Wales)
AUDITORS	Magma Audit LLP Magma House 16 Davy Court Castle Mound Way Rugby CV23 0UZ

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2016 to 31 August 2017. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

Until 31st May 2017 Gilmorton Chandler CE Primary School operated as a single academy trust for pupils aged 4 to 11 serving a catchment area of Gilmorton, Kimcote, Walton, Upper Bruntingthorpe, Bruntingthorpe, Ashby Magna, Peatling Parva and Willoughby Waterleys. It has a pupil capacity of 210 and had a roll of 208 in the school census in January 2017. The Trust became a multi academy trust entitled Inspiring Primaries Academy Trust on 1st June 2017 - on 1st June 2017 the Trust included Gilmorton Chandler CE Primary School, All Saints CE Primary School, Sapcote, John Wycliffe Primary School and Ullesthorpe CE Primary School. On 1st July 2017 Sharnford CE Primary School, St Mary's CE Primary School, Bitteswell and St Margaret's CE Primary School, Stoke Golding joined the Trust. Claybrooke Primary School joined on 1st August 2017.

The trust operates primary academies in South and West Leicestershire. Its academies have a combined pupil capacity of 1,435 and had a roll of 1,247 in the school census in January 2017.

OBJECTIVES AND ACTIVITIES

Objectives and aims

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

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

Its aims are:

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

Objectives, strategies and activities

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

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

Public benefit

Inspiring Primaries Academy Trust is a charitable trust which seeks to benefit the public throughout the pursuit of its stated aims.

The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

STRATEGIC REPORT
Achievement and performance
Key educational performance indicators

The main charitable activity undertaken by the Trust is the delivery of a high quality education to all pupils in its care. Results across the Trust are mainly in line with national figures:

Early Years	IPAT schools 2017	IPAT schools 2016	National 2017
Good Level of Development	**73.2%**	68.2%	70.7%

Year 1 Phonics Screening	IPAT schools 2017	IPAT schools 2016	National 2017
Pass rate	**80.9%**	79.0%	80.3%

End Key Stage 1						
	Expected standard or above			Above expected standard		
Subject	IPAT 2017	IPAT 2016	National	IPAT 2017	IPAT 2016	National
Reading	**72.8%**	77.6%	75.6%	**24.6%**	27.3%	25.2%
Writing	**65.1%**	64.2%	68.2%	**15.4%**	18.2%	15.6%
Maths	**70.3%**	73.3%	75.2%	**16.4%**	23.6%	20.5%
RWM combined	**58.5%**	57.6%	63.7%	**10.3%**	NA	10.9%

End Key Stage 2									
	Expected standard or above			Above expected standard			Scaled score		
Subject	IPAT 2017	IPAT 2016	National	IPAT 2017	IPAT 2016	National	IPAT 2017	IPAT 2016	National
Reading	**72.8%**	72.7%	71.5%	**33.5%**	24.45	24.6%	**105.6**	104.0	104.1
Writing	**71.2%**	76.2%	76.3%	**14.1%**	12.2%	17.7%	NA		
Maths	**68.6%**	72.7%	74.8%	**22.5%**	17.4%	22.7%	**103.8**	103.3	104.2
RWM combined	**58.6%**	61.0%	61.1%	**8.4%**	NA	8.7%	NA		
GPS	**72.8%**	73.8%	76.9%	**30.4%**	19.8%	30.9%	**105.4**	104.1	106.0

Areas for development for the coming year are:

- To raise attainment in all core curriculum areas by the end of Key Stage 2.
- Improve outcomes for pupils within the groups of FSM, CLA and GRT.
- Recruitment, retention and talent management.

Other Key Performance Indicators
Staffing costs: target 75%, actual 78.5%
Surplus as percentage of income: target 7%, actual 4.3%

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

STRATEGIC REPORT

Financial review

Financial review

The Academy had a net movement in funds for the year ended 31 August 2017 of £2,776,035 including fixed assets movements. As at 31 August 2017 the Academy held £354,202 of unrestricted reserves plus £211,514 of unspent (non-fixed asset) restricted funds. The Academy therefore held combined unrestricted and non-fixed asset restricted funds, being its available reserves of £565,716.

The Academy Trust had a pension deficit on their Local Government Pension Scheme of £1,862,000 at 31 August 2017 and a fixed asset reserve of £4,119,202 being the book value of past purchases £4,085,574 plus £33,628 of unspent capital grants.

There are no significant factors going forward that are expected to impact on the normal continuing operation of the Academy. The principle financial management policies adopted in the period are included in the Academy's internal financial policies and are typical for an Academy Trust of this size and type. There were no unusual significant events worthy of comment during the year.

The principal sources of funding for the Academy are the General Annual Grant (GAG) and other ESFA/DfE 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.

Investment policy

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

Reserves policy

The Trustees have developed a reserves policy for the school which is reviewed at least annually. The Academy needs to hold reserves to allow for contingencies such as unfunded building repairs, unexpected staffing costs and to allow for some uncertainty in future government funding. The Trustees have determined that the appropriate level of free reserves, which it considers to be unrestricted funds plus unspent General Annual Grant (GAG), should be approximately £35,000 with the view to exceeding this level.

Actual free reserves plus unspent GAG as at 31 August 2017 were £455,535, being approximately in line with the target level set by the Trustees. The Academy also held other available restricted funds at the year end of £110,181 being unspent support grant. Total available reserves, being both the above figures at 31 August 2017 were £565,716. Cash at bank at 31 August 2017 was £503,403, lower than total available reserves due principally to LA funds being accrued at the year end.

At 31 August 2017 the Academy's fixed asset reserve of £4,119,202 represented £4,085,574 of funds which could only be realised if the assets were sold, plus £33,628 of unspent capital grants.

The only reserve in deficit at the year end was the pension reserve (deficit of £1,862,000) 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.

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 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:

- A decline of pupils' attainment and school performance. This is mitigated by rigorous monitoring of performance, a continued focus on high quality teaching, early identification and tracking of vulnerable and under-performing groups and developing and improving governance;
- Failure to manage finances effectively resulting in financial insecurity and instability. This is mitigated by the appointment of a suitably experienced and qualified CFO, appropriate finance management processes and systems implemented across the Trust and regular training for all business/office managers;

STRATEGIC REPORT

Principal risks and uncertainties

- The Trust becomes over-reliant on the CEO for the management and development of the Trust. This is mitigated by the creation of leadership and teaching groups to build knowledge and capacity, together with succession planning;
- Liability for building maintenance and repairs being beyond the Trust's financial capacity to address. This is mitigated by robust due diligence processes, close collaboration and communication with the LA and DBE prior to completing the Commercial Transfer Agreements to ensure the LA fulfils its responsibilities and close liaison with the ESFA re potential maintenance grants for identified priorities.

The Trustees are satisfied that systems are in place to mitigate exposure to major risks.

At 31 August 2017 the pension deficit on the Local Government Pension Scheme stood at £1,862,000. 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. 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.

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.

Future developments

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.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The charitable company was incorporated on 22 May 2013 and changed its name to Inspiring Primaries Academy Trust on 10 May 2017.

The directors of Inspiring Primaries Academy Trust are the directors for the purposes of company law and the trustees for the purposes of charity law. Details of the trustees who served during the year are included in the Reference and Administrative details on Page 1.

Members' liability

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

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Trust's expense to cover the liability of the trustees by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Trust: Provided that any such insurance shall not extend to; (i) any claim arising from any act or omission which trustees know to be a breach of duty or which was committed by the trustees in reckless disregard to whether it was a breach of trust or breach of duty or not; and (ii) the costs of any unsuccessful defence to a criminal prosecution brought against the trustees in their capacity as directors of the Trust. Further, this Article does not authorise a trustee to benefit from any indemnity insurance that would be rendered void by any provision of the Companies Act 2006, the Charities Act 2011 or any other provision of law.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Method of recruitment and appointment or election of Trustees

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

The Members (named in the Reference and Administration Details on Page 1) shall appoint a minimum of five trustees. The Chief Executive Officer (CEO) shall be treated for all purposes as being an ex officio trustee. A minimum of two parent trustees shall be appointed if no local governing bodies are appointed. Parent trustees shall be elected by the parents of registered pupils at the academies and each must be a parent at the time when he/she is elected or appointed.

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

Policies and procedures 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.

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 three 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 Headteachers of member academies, and may delegate such powers and functions as they consider necessary.

Local Governing Bodies (LGBs) - these 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 arrangement. In exceptional situations of poor performance, the Board of Trustees may intervene and replace a LGB.

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 Headteachers of the participating academies. The CEO is the Accounting Officer of the Trust.

Headteachers' Group - this group comprises the Headteachers of schools within the Trust. The group will support the CEO in securing the vision, development and high performance of the Trust.

Central Management Team - this comprises the Chief Financial Officer (CFO) and administrative support. The team works directly to the CEO.

Pay Policy for Key management remuneration

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 policy and progression is based on performance management which must be reported to and approved by the Board of Trustees.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Connected organisations, including related party relationships

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. 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 The Affinity Teaching School Alliance, Thomas Estley Learning Alliance and Lutterworth Area Schools Association in order to provide high quality education.

CHANGE OF NAME

The academy trust passed a special resolution on 17 May 2017 changing its name from Gilmorton Chandler Church of England Primary School to Inspiring Primaries Academy Trust.

FUNDS HELD AS CUSTODIAN FOR 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
- the Trustees have taken all the steps that ought to have been taken to make themselves aware of any relevant information and to establish that the auditor is aware of that information.

AUDITORS

The auditors, Magma Audit LLP, have indicated their willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditors at a meeting of the Trustees.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on .... and signed on the board's behalf by:

....

G E Read – Chair of Trustees

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.

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

Governance

The information on governance included here supplements that described in the Report of the Trustees and in the Statement of Trustees Responsibilities. The board of trustees has formally met 5 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
Graham Read	4	5
Rev Emma Davies	3	5
Marie Sandford	5	5
Sonia Baigent	3	5
Peter Bell	4	5
Deborah Hone	2	5
Danielle Moore	5	5
Karen Morgan	3	5
Neville Robbins	5	5
Andrew Shields	5	5
Julie Smith	3	5
Eileen Durnin	4	5
Wendy Thompson	3	4

Following the change of status from single to multi academy trust and change of name to Inspiring Primaries Academy Trust there were a number of changes in the composition of the Board of Trustees. All are listed on Page 1 of the Reference and Administrative Details section of the report.

- 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.
- Each term a data dashboard is presented to the Board of Trustees by the CEO and CFO. The Board has approved the quality of data provided in order to discharge its duties accordingly.

Following the formation of the multi academy trust, the following aims for restructuring the Board of Trustees were identified:

- implement a model of governance which is fit-for-purpose for a multi-academy trust;
- ensure that trustees have a relevant 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.

Review of Value for Money

As Accounting Officer, the CEO has responsibility for ensuring that the 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 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 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.

Review of Value for Money

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 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: 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; finance and business; pupil voice; buildings and engagement. Action plans are implemented and progress against these monitored.

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 an annual basis to ensure that they are fit for purpose and provide good value in all aspects. Examples include:

- Implementing a trust-wide review of insurance arrangements securing more effective cover and generating cost savings across the Trust;
- Securing other trust-wide contracts e.g. payroll, HR, health and safety 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.

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 - extended services, lettings, NLE, SLE and inspection deployments;

Reviewing Controls and Managing Risks:

Monthly budget monitoring reports are produced and reviewed by the CFO, CEO, Business/Office Managers and Headteachers and any necessary remedial action taken to address any significant variances that may have an impact on the budget out-turn. Termly budget reports are reviewed by the Trustees and Local Governing Bodies as well as by budget holders, in order to ensure that spending is within budget. Actions taken to mitigate risk are outlined in the strategic risk register and the more detailed operational risk register maintained by the Trust's strategic leadership team. Both registers are reviewed termly and where appropriate, professional advice e.g. Legal, HR, Finance has been sought

Reviewing Operation to Maximise Use of Resources:

The Trust strategic leadership review expenditure within each budget heading on a termly basis and 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.

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 ongoing process designed to identify and prioritise the risks to the achievement of 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 Gilmorton Chandler Church of England Primary School/Inspiring Primaries Academy Trust for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the 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 Trust's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 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 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 Board of Trustees of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees appointed Leicestershire County Council as its internal auditor for 2016-17, but has decided to undertake a review of its internal audit arrangements for 2018-19 following its change to a multi academy trust.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. On an annual basis, the internal auditor reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The latest internal audit visit was in August 2017. No material control issues were identified as a result of the internal auditor's review work. Trustees have agreed that all of the recommendations made by internal audit will be introduced in the Autumn term 2017 under the direction of the newly appointed CFO.

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

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

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

Approved by order of the members of the board of trustees on .... and signed on its behalf by:

....
G E Read - Chair of Trustees

....
Marie Sandford - Accounting Officer

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
for the Year Ended 31 August 2017

As Accounting Officer of Inspiring Primaries Academy Trust I have considered my responsibility to notify the Board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, 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 2016.

I confirm that I and the 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 2016.

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 the ESFA.

M Sandford
Marie Sandford - Accounting Officer

Date: 7/12/2017

STATEMENT OF TRUSTEES RESPONSIBILITIES
for the Year Ended 31 August 2017

The trustees (who act as governors of Inspiring Primaries Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the academy trust will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the academy trust's transactions and disclose with reasonable accuracy at any time the financial position of the academy trust and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the academy trust 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 academy trust applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the ESFA/DfE have been applied for the purposes intended.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the academy trust'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 board of trustees on .... and signed on its behalf by:

....

G E Read – Chair of Trustees

Opinion
We have audited the financial statements of Inspiring Primaries Academy Trust (the 'academy trust') for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2016 to 2017 issued by the Education & Skills Funding Agency (ESFA).

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

In our opinion the financial statements:
- give a true and fair view of the state of the academy trust's affairs as at 31 August 2017 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 2015 and Academies Accounts Direction 2016 to 2017.

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

Conclusions relating to going concern
We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:
- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information
The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees 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 Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

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

Our responsibilities for the audit of the financial statements

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

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

Luke Turner (Senior Statutory Auditor)
for and on behalf of Magma Audit LLP
Magma House
16 Davy Court
Castle Mound Way
Rugby
CV23 0UZ

Date: ....

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

In accordance with the terms of our engagement and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, 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 2016 to 31 August 2017 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 the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Inspiring Primaries Academy Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Inspiring Primaries Academy Trust and the 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 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusion includes:

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

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 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant
Magma Audit LLP
Magma House
16 Davy Court
Castle Mound Way
Rugby
CV23 0UZ

Date: ....

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
for the Year Ended 31 August 2017

	Notes	Unrestricted fund £	Restricted fund £	Restricted Fixed Assets £	31.8.17 Total funds £	31.8.16 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and capital grants	2	**35,294**	**5,576**	**30,687**	**71,557**	46,080
Transfer from Local Authority on conversion	22	**282,415**	**(1,642,000)**	**3,858,462**	**2,498,877**	-
Charitable activities						
Funding for the academy's educational operations	3	**100**	**2,034,216**	-	**2,034,316**	881,971
Other trading activities	4	**18,449**	-	-	**18,449**	26,575
Investment income	5	**174**	-	-	**174**	168
Total		**336,432**	**397,792**	**3,889,149**	**4,623,373**	954,794
EXPENDITURE ON						
Raising funds		**11,001**	-	-	**11,001**	19,716
Charitable activities						
Academy's educational operations		-	**1,915,720**	**54,617**	**1,970,337**	899,244
Total	6	**11,001**	**1,915,720**	**54,617**	**1,981,338**	918,960
NET INCOME/(EXPENDITURE)		**325,431**	**(1,517,928)**	**3,834,532**	**2,642,035**	35,834
Other recognised gains/(losses)						
Actuarial gains/losses on defined benefit schemes	20	-	**134,000**	-	**134,000**	(61,000)
Net movement in funds		**325,431**	**(1,383,928)**	**3,834,532**	**2,776,035**	(25,166)
RECONCILIATION OF FUNDS						
Total funds brought forward		**28,771**	**(266,558)**	**284,670**	**46,883**	72,049
TOTAL FUNDS CARRIED FORWARD		**354,202**	**(1,650,486)**	**4,119,202**	**2,822,918**	46,883

All of the academy trust's activities derive from acquisitions in the current year.

The notes form part of these financial statements

INSPIRING PRIMARIES ACADEMY TRUST (REGISTERED NUMBER: 08540699)

BALANCE SHEET
At 31 August 2017

	Notes	31.8.17 £	31.8.16 £
FIXED ASSETS			
Tangible assets	13	**4,085,574**	266,298
CURRENT ASSETS			
Stocks	14	-	6,409
Debtors	15	**532,656**	24,960
Cash in hand		**503,403**	101,217
		1,036,059	132,586
CREDITORS			
Amounts falling due within one year	16	**(436,715)**	(54,001)
NET CURRENT ASSETS		**599,344**	78,585
TOTAL ASSETS LESS CURRENT LIABILITIES		**4,684,918**	344,883
DEFINED BENEFIT PENSION SCHEME LIABILITY	20	**(1,862,000)**	(298,000)
NET ASSETS		**2,822,918**	46,883
FUNDS OF THE ACADEMY	19		
Restricted fund:			
Restricted income fund		**211,514**	31,442
Fixed asset fund		**4,119,202**	284,670
Restricted funds including pension liability		**4,330,716**	316,228
Pension reserve		**(1,862,000)**	(298,000)
Total restricted funds		**2,468,716**	18,112
Unrestricted funds		**354,202**	28,771
TOTAL FUNDS		**2,822,918**	46,883

The financial statements were approved and authorised for issue by the Board of Trustees on .... and were signed on its behalf by:

....

G E Read – Chair of Trustees

The notes form part of these financial statements

CASH FLOW STATEMENT
for the Year Ended 31 August 2017

	Notes	31.8.17 £	31.8.16 £
Cash flows from operating activities:			
Cash generated from operations	1	**136,785**	(111,564)
Net cash provided by (used in) operating activities		**136,785**	(111,564)
Cash flows from investing activities:			
Purchase of tangible fixed assets		**(15,430)**	(22,815)
Capital grants from DfE/ESFA		**280,687**	33,538
Interest received		**144**	168
Net cash provided by (used in) investing activities		**265,401**	10,891
Change in cash and cash equivalents in the reporting period		**402,186**	(100,673)
Cash and cash equivalents at the beginning of the reporting period		**101,217**	201,890
Cash and cash equivalents at the end of the reporting period		**503,403**	101,217

The notes form part of these financial statements

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.8.17	31.8.16
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	**2,642,035**	35,834
Adjustments for:		
Depreciation	**54,617**	30,679
Capital grants from DfE/ESFA	**(280,687)**	(33,538)
Transfer from Local Authority on conversion	**(2,498,877)**	-
Loss on disposal of fixed assets	**-**	143
Interest received	**(174)**	(168)
Decrease/(increase) in stocks	**6,409**	(2,987)
Increase in debtors	**(275,698)**	(5,256)
Increase/(decrease) in creditors	**346,160**	(149,271)
Difference between pension charge and cash contributions	**143,000**	13,000
Net cash provided by (used in) operating activities	**136,785**	(111,564)

1. ACCOUNTING POLICIES

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

Basis of preparing the financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP) (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Inspiring Primaries Academy Trust constitutes a public benefit entity as defined by FRS 102.

Fund accounting

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

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Department for Education 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 and include grants from the Education and Skills Funding Agency.

Income

All income is recognised once the academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of Financial Activities incorporating income and expenditure account 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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the Balance Sheet in the Restricted Fixed Asset Fund.

Donated fixed assets are measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

Donations are recognised on a receivable basis where receipt is probably and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent that the goods have been provided or on completion of the service.

Where assets are received by the trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the trust. An equal amount of income is recognised as a transfer on conversion within income from donations and capital grants. The land and buildings are held on a 125-year lease from the Local Authority. The value of the long leasehold land and buildings transferred on conversion in relation to John Wycliffe Primary School, was arrived at by Leicestershire County Council's valuation.

1. ACCOUNTING POLICIES - continued

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 costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising fund includes all expenditure incurred by the trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities are costs incurred on the trust's educational operations, including support costs and those costs relating to the governance of the trust appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

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 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 trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trusts; ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Tangible fixed assets and depreciation
All assets costing more than £1,000 are capitalised 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 incorporating income and expenditure account and carried forward in the balance sheet. Depreciation on the relevant assets in charged directly to the restricted fixed asset fund in the Statement of Financial Activities incorporating income and expenditure account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold buildings (125 year lease)	- 125 years straight line
Leasehold improvements	- 6% straight line
Fixtures and fittings	- 15% straight line
Computer equipment	- 25% straight line

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 incorporating income and expenditure account.

Operating leases
Rentals under operating leases are charged to the Statement of Financial Activities incorporating income and expenditure account on a straight line basis over the lease term.

Stocks
Classroom consumables, unsold uniforms and catering stocks are valued at the lower of cost or selling price less estimated costs to complete and sell.

1. ACCOUNTING POLICIES - continued

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

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

Provisions are recognised when the trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Financial instruments
The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at the settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Taxation
The 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 trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 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.

Pensions
Retirement benefits to employees of the academy trust are provided by the teachers' Pension Scheme ("TPS") and the Local Governments 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 the employees' working lives with the academy 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. As stated in note 20, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined benefit contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded 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 obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1. ACCOUNTING POLICIES - continued

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

The 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.

i) Defined benefit pension scheme
The present value of the LGPS defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. The most recent actuarial valuation was performed on 31 August 2017.

ii) Tangible assets
The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 13 for the carrying amount of the property, plant and equipment, and the above accounting policy for the useful economic lives for each class of assets.

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 31.8.17 £	Restricted funds 31.8.17 £	Restricted fixed asset fund 31.8.17 £	31.8.17 Total funds £	31.8.16 Total funds £
Donations	35,294	5,576	30,687	71,557	2,000
Local Authority surplus transferred on conversion	282,415	-	-	282,415	-
Fixed assets transferred on conversion	-	-	3,858,462	3,858,462	-
Pension scheme transferred on conversion	-	(1,642,000)	-	(1,642,000)	-
Total	317,709	(1,636,424)	3,889,149	2,570,434	46,080

3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 31.8.17 £	Restricted funds 31.8.17 £	Restricted fixed asset fund 31.8.17 £	31.8.17 Total funds £	31.8.16 Total funds £
DfE/ESFA grants					
General Annual Grant (GAG)	-	1,675,973	-	1,593,886	801,992
Other DfE/ESFA grants	-	183,243	-	183,243	72,825
Start-up grant	-	175,000	-	175,000	-
	-	2,034,216	-	2,034,216	874,817

3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS - continued

Other funding

Diocese repairs income	-	-	-	-	5,584
Raising attainment of looked after children	-	-	-	-	1,570
	-	-	-	-	7,154
	-	2,034,216	-	2,034,216	881,971

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 31.8.17 £	Restricted funds 31.8.17 £	31.8.17 Total funds £	31.8.16 Total funds £
Lettings income	5,152	-	5,152	4,022
Consultancy income	10,609	-	10,609	12,679
Fundraising income	1,071	-	1,071	8,197
Sundry income	1,717	-	1,717	1,677
	18,449	-	18,449	26,575

5. INVESTMENT INCOME

	Unrestricted funds 31.8.17 £	Restricted funds 31.8.17 £	31.8.17 Total funds £	31.8.16 Total funds £
Bank interest	174	-	174	168
	174	-	174	168

6. EXPENDITURE

		Non-pay expenditure		31.8.17	31.8.16
	Staff costs £	Premises £	Other costs £	Total £	Total £
Raising funds					
Costs of fundraising	10,609	392	-	11,001	19,716
Charitable activities					
Academies educational operations					
Direct costs	931,834	54,225	250,842	1,236,901	684,490
Allocated support costs	502,634	75,741	155,061	733,436	214,754
	1,445,077	130,358	405,903	1,981,338	918,960

6. EXPENDITURE - continued

	31.8.17	31.8.16
	£	£
Depreciation of tangible assets	54,617	30,679
Auditors' remuneration - audit	20,000	5,250
Auditors' remuneration - other services	11,500	3,373
Operating lease rentals	6,111	6,728

7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Total funds 2017	Total funds 2016
Direct costs - educational operations	£	£
Teaching and educational support staff costs - salaries	728,008	481,201
Teaching and educational support staff costs - NI	77,656	34,480
Teaching and educational support staff costs - pensions	126,170	85,910
LGPS pension interest cost	56,000	8,000
Educational supplies	82,001	17,711
Staff development	8,337	8,920
Other direct costs	96,215	8,850
Depreciation	40,963	23,009
Technology costs	21,551	16,409
	1,236,901	684,490
Support costs - educational operations		
Support staff costs - salaries	406,327	57,647
Support staff costs - NI	15,343	2,437
Support staff costs - pensions	77,876	11,236
Maintenance of premises and equipment	36,727	22,796
Cleaning	3,583	2,167
Rates	11,105	6,319
Insurance	13,819	13,649
Depreciation	13,654	7,670
Catering	59,080	35,060
Other support costs	42,626	24,549
Security and transport	-	81
Technology costs	-	6,350
Energy costs	21,796	12,936
Loss on disposal of fixed assets	-	143
Governance	31,500	11,705
	733,436	214,754
	1,970,337	899,244

8. TRUSTEES' REMUNERATION AND BENEFITS

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The CEO and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of CEO and staff members under their contracts of employment and not in respect of their role as a Trustee.

M Sandford (CEO and Trustee)	
Remuneration	£50,000 - £55,000 (2016: £40,000 - £45,000)
Employers' pension contributions	£5,000 - £10,000 (2016: £5,000 - £10,000)

The above disclosure consists of 3/5ths of salary/pension that relate to M Sandford's CEO role at the Multi Academy Trust. 2/5ths of the CEO's salary was borne by Ullesthorpe Church of England Primary School during the year by means of a recharge until Ullesthorpe Church of England Primary School joined the Academy Trust on 1 June 2017. M Sandford acts as the principal of both schools.

A Shields (Staff Trustee)	
Remuneration	£45,000 - £50,000 (2016: £45,000 - £50,000)
Employers' pension contributions	£5,000 - £10,000 (2016: £5,000 - £10,000)
D Hone (Staff Trustee)	
Remuneration	£5,000 - £10,000 (2016: £10,000 - £15,000)
Employers' pension contributions	£nil - £5,000 (2016: £5,000 - £10,000)

During the year, no Trustees received any benefits in kind (2016: £nil) or reimbursement of expenses (2016: £nil).

Trustees' expenses
There were no trustees' expenses paid for the year ended 31 August 2017 nor for the year ended 31 August 2016.

9. STAFF COSTS

	31.8.17	31.8.16
	£	£
Wages and salaries	**1,144,944**	548,001
Social security costs	**93,000**	37,763
Operating costs of defined benefit pension schemes	**204,045**	98,733
	1,441,989	684,497
Supply teacher costs	**3,088**	-
	1,445,077	684,497

The average number of persons (including senior management team) employed by the academy trust during the year was as follows:

	31.8.17	31.8.16
Teachers	**20**	11
Administration and support	**40**	21
Management	**3**	1
	63	33

No employees received emoluments in excess of £60,000.

9. STAFF COSTS - continued

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) received by key management personnel for their services to the academy trust was £105,054 (2016: £119,528). These figures include salary costs of all Trustees employed by the academy trust, even where they have no management role within their employment.

10. CENTRAL SERVICES

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

- Human resources
- Financial services
- Legal services
- Educational support services
- Others as arising

The Academy charges for these services on the following basis:

5% of GAG funding starting from month after entrance into the MAT.

	2017 £	2016 £
John Wycliffe Primary School	**11,751**	-
Claybrooke Primary School	**7,351**	-
Sharnford Primary School	**9,138**	-
Ullesthorpe Primary School	**9,139**	-
St Mary's Church of England Primary School Bitteswell	**9,321**	-
All Saints Church of England Primary School	**10,447**	-
St Margaret's Church of England Primary School	**10,447**	-
Gilmorton Chandler Church of England Primary School	**6,794**	-
	74,388	-

11. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £3,000,000 on any one claim and the cost for the year ended 31 August 2017 was £466 (2016: £269).

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted fund £	Restricted Fixed Assets £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and capital grants	**1,000**	**1,000**	**44,080**	46,080
Charitable activities				
Funding for the academy's educational operations	-	**881,971**	-	881,971
Other trading activities	**26,575**	-	-	26,575
Investment income	**168**	-	-	168
Total	**27,743**	**882,971**	**44,080**	954,794

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £	Restricted fund £	Restricted Fixed Assets £	Total funds £
EXPENDITURE ON				
Raising funds	19,716	-	-	19,716
Charitable activities				
Academy's educational operations	1,000	867,422	30,822	899,244
Total	20,716	867,422	30,822	918,960
NET INCOME/(EXPENDITURE)	7,027	15,549	13,258	35,834
Transfers between funds	-	2,893	(2,893)	-
Other recognised gains/(losses)				
Actuarial gains/losses on defined benefit schemes	-	(61,000)	-	(61,000)
Net movement in funds	7,027	(42,558)	10,365	(25,166)
RECONCILIATION OF FUNDS				
Total funds brought forward	21,744	(224,000)	274,305	72,049
TOTAL FUNDS CARRIED FORWARD	28,771	(266,558)	284,670	46,883

13. TANGIBLE FIXED ASSETS

	Long leasehold £	Leasehold improvements £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 September 2016	-	173,993	130,337	14,771	319,101
Additions	-	-	9,865	5,565	15,430
Transfer on conversion	3,701,100	-	71,646	85,717	3,858,463
At 31 August 2017	3,701,100	173,993	211,848	106,053	4,192,994
DEPRECIATION					
At 1 September 2016	-	11,909	32,069	8,825	52,803
Charge for year	15,326	10,440	20,033	8,818	54,617
At 31 August 2017	15,326	22,349	52,102	17,643	107,420
NET BOOK VALUE					
At 31 August 2017	3,685,774	151,644	159,746	88,410	4,085,574
At 31 August 2016	-	162,084	98,268	5,946	266,298

During the year the Academy Trust acquired the long leasehold of John Wycliffe Primary School at a value of £3,701,100. These asset was donated from Leicestershire County Council when the school joined the Academy Trust on 1 June 2017.

14. STOCKS

	31.8.17	31.8.16
	£	£
Classroom and other materials	-	6,409

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.17	31.8.16
	£	£
Trade debtors	-	896
VAT	14,757	8,642
Prepayments and accrued income	517,899	15,422
	532,656	24,960

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.17	31.8.16
	£	£
Trade creditors	25,441	-
Social security and other taxes	64,760	11,724
Other creditors	73,515	12,239
Accruals and deferred income	272,999	30,038
	436,715	54,001

Deferred income	31.8.17	31.8.16
	£	£
Deferred income at 1 September 2016	22,280	59,997
Released from previous years	(22,280)	(59,997)
Resources deferred in the year	137,745	22,280
Deferred income at 31 August 2017	137,745	22,280

The closing balance of deferred income mainly relates to Universal Infant Free School Meals funding received in advance of the 2017/18 academic year.

17. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.8.17	31.8.16
	£	£
Within one year	13,231	3,691
Between one and five years	9,831	5,498
	23,062	9,189

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund £	Restricted fund £	Restricted Fixed Assets £	31.8.17 Total funds £	31.8.16 Total funds £
Fixed assets	-	-	4,085,574	4,085,574	266,298
Current assets	354,202	648,229	33,628	1,036,059	132,586
Current liabilities	-	(436,715)	-	(436,715)	(54,001)
Pension liability	-	(1,862,000)	-	(1,862,000)	(298,000)
	354,202	(1,650,486)	4,119,202	2,822,918	46,883

19. MOVEMENT IN FUNDS

	At 1.9.16 £	Income £	Expenditure £	Transfer between funds £	Gains/ (Losses) £	At 31.8.17 £
Unrestricted funds						
General funds	28,771	336,432	(11,001)	-	-	354,202
Restricted funds						
General Annual Grant (GAG)	30,243	1,675,974	(1,604,884)	-	-	101,333
Pupil Premium	-	57,090	(57,090)	-	-	-
Other DfE/ESFA grants	1,199	264,341	(155,359)	-	-	110,181
Other government grants	-	36,812	(36,812)	-	-	-
Other trading activities	-	5,575	(5,575)	-	-	-
	31,442	2,039,792	(1,859,720)	-	-	211,514
Pension reserve	(298,000)	(1,642,000)	(56,000)	-	134,000	(1,862,000)
	(266,558)	397,792	(1,915,720)	-	134,000	(1,650,486)
Restricted fixed asset fund						
DfE/ESFA capital grants	13,282	30,687	(5,329)	-	-	38,640
Transfer from local Authority	3,970	3,858,462	(20,990)	-	-	3,841,442
Academies Capital Maintenance Fund	87,259	-	(13,393)	-	-	73,866
Condition Improvement Fund	165,826	-	(12,172)	-	-	153,654
Other Government grants	9,865	-	(1,233)	-	-	8,632
Capital expenditure from GAG	4,468	-	(1,500)	-	-	2,968
	284,670	3,889,149	(54,617)	-	-	4,119,202
Total restricted funds	18,112	4,286,941	(1,970,337)	-	134,000	2,468,716
Total of funds	46,883	5,859,873	(1,981,338)	-	134,000	2,822,918

19. MOVEMENT IN FUNDS - continued

Restricted funds

The General Annual Grant (GAG) relates to the school's development and operational activities. The transfer from GAG relates to funding towards fixed asset additions in the year.

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. All funds have been spent in full within the year.

The DfE/ESFA restricted funds grants consists of Universal Infant Free School Meals Grant, Regional growth funding, a school improvement grant, capital improvement grant, and PE Sports Grant. The closing balances relate to funds not spent at the year end.

Local Authority grants consist of High Level Needs funding, DSP Speech and Language funding and Early years funding. All funds have been spent in full in the year.

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

Restricted fixed assets

DfE/EFSA 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.

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 transfer from Local Authority relates to the value of £3,858,462 (leasehold land and buildings and other assets) transferred from the Local Authority to the academy on conversion. The closing balance relates to the net book value of the assets concerned.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2017 were allocated as follows:

	Total £
Inspiring Primaries Academy Trust (MAT)	70,756
All Saints Primary School	97,743
Claybrooke Primary School	15,412
Gilmorton Chandler Church of England Primary School	58,046
John Wycliffe Primary School	125,096
Sharnford Church of England Primary School	32,065
St. Margaret's Church of England Primary School	21,078
St. Mary's Church of England Primary School	54,297
Ullesthorpe Church of England Primary School	91,223
	565,716
Restricted fixed asset fund	4,119,202
Pension reserve	(1,862,000)
Total	2,822,918

ANALYSIS OF ACADEMIES BY COST

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

19. MOVEMENT IN FUNDS - continued

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total £
All Saints Church of England Primary School	164,571	2,371	10,241	11,694	188,877
Claybrooke Primary School	29,106	203	(685)	831	29,455
Gilmorton Chandler Church of England Primary School	693,862	67,695	41,586	126,463	926,606
John Wycliffe Primary School	198,851	1,647	15,809	9,299	225,606
Sharnford Church of England Primary School	47,276	359	2,359	2,086	52,080
St. Mary's Church of England Primary School	83,613	1,370	(6,145)	2,645	81,483
St. Margaret's Church of England Primary School	120,519	1,742	7,007	4,591	133,859
Ullesthorpe Church of England Primary School	91,695	1,615	(9,572)	7,006	90,744
	1,429,493	77,002	60,600	164,615	1,728,750

20. 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 [name]. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016

Contributions amounting to £73,515 were payable to the schemes at 31 August 2017 (2016: £12,239) and are included within other creditors.

Teachers' pension scheme
Introduction
The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

20. 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. 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 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 16.48%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 16.48%. The TPS valuation for 2012 determined an employer rate of 16.48%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £125,361 (2016: £63,449).

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

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The 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 2017 was £97,000 (2016: £40,000), of which employer's contributions totalled £77,000 (2016: £32,000) and employees' contributions totalled £20,000 (2016: £8,000). The agreed contribution rates for future years are 22.4 - 23.4% 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.

Principal actuarial assumptions	**31.8.17**	**31.8.16**
Discount rate for scheme liabilities	**2.50%**	2.10%
Rate of increase in salaries	**3.40%**	3.10%
Rate of increase in pensions / inflation	**2.40%**	2.10%
Inflation assumption	**2.40%**	2.10%
Commutation of pensions to lump sums	**50.00%**	50.00%

20. PENSION COMMITMENTS
- continued

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

	At 31.8.17	At 31.8.16
Retiring today		
Males	**22.1**	22.3
Females	**24.3**	24.3
Retiring in 20 years		
Males	**23.8**	24.2
Females	**26.2**	26.6

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

	Fair value at 31.8.17 £	Fair value at 31.8.16 £
Equities	**1,181,000**	236,000
Gilts	**352,000**	59,000
Property	**141,000**	30,000
Cash and other liquid assets	**89,000**	3,000
Total market value of net assets	**1,763,000**	328,000

The actual return on scheme assets was £13,000 (2016: £10,000).

Expected returns on assets are calculated as follows:-

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

Asset model

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

Key subjective assumptions are:

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

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

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period (i.e. as at 1 September 2016 for the year to 31 August 2017, or date of joining the fund if later).

20. PENSION COMMITMENTS - continued

Amount recognised in the statement of financial activities:

	31.8.17 £	31.8.16 £
Current service costs	**(120,000)**	(37,000)
Net interest cost	**(13,000)**	(8,000)
Total	**(133,000)**	(45,000)

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

	31.8.17 £	31.8.16 £
At 1 September	**626,000**	458,000
Current service cost	**120,000**	37,000
Interest cost	**26,000**	18,000
Employee contributions	**20,000**	8,000
Actuarial (losses)/gains	**(55,000)**	105,000
Benefits paid	**(3,000)**	-
Liabilities assumed in a business combination	**2,891,000**	-
Closing defined benefit obligation	**3,625,000**	626,000

Local government pension scheme
Change in the fair value of the academy's share of scheme assets:

	31.8.17 £	31.8.16 £
At 1 September	**328,000**	234,000
Interest income	**13,000**	10,000
Actuarial gains/(losses)	**79,000**	44,000
Employer contributions	**77,000**	32,000
Employee contributions	**20,000**	8,000
Benefits paid	**(3,000)**	-
Assets assumed in a business combination	**1,249,000**	-
Closing fair value of scheme assets	**1,763,000**	328,000

Sensitivity analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumptions as at 31 August 2017:	**Approximate % increase to Employer Liability**	**Approximate monetary amount £**
0.5% decrease in Real Discount Rate	**12 %**	432,000
0.5% increase in the Salary Increase Rate	**2 %**	82,000
0.5% increase in the Pension Increase Rate	**99%**	342,000

21. RELATED PARTY DISCLOSURES

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

The Leicester Diocesan Board of Education is paid a quarterly amount in relation to a maintenance scheme. Payments for the Academy Trust in the year were £17,992 (2016: £11,250). There were no amounts outstanding at 31 August 2017 (2016: £nil).

The Leicester Diocesan Board of Education fully fund any structural repair costs to the school building. Academy repair costs reimbursed by the Diocese during the year were £nil (2016: £5,584). There were no amounts outstanding at 31 August 2017 (2016: £nil). This agreement ceased in December 2015 from which point any repair costs are incurred directly by the Diocesan Board of Education. The Academy continue to pay quarterly to the maintenance scheme.

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

There were no other related party transactions during the current or prior year.

22. CONVERSION TO AN ACADEMY TRUST

On 1 June 2017 Ullesthorpe Church of England Primary School, John Wycliffe Primary School and All Saints Church of England Primary School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Inspiring Primaries Academy Trust from the Leicestershire Local Authority for £nil consideration.

On 1 July 2017 Sharnford Church of England Primary School, St. Margaret's Church of England Primary School and St. Mary's Church of England Primary School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Inspiring Primaries Academy Trust from the Leicestershire Local Authority for £nil consideration.

On 1 August 2017 Claybrooke Primary School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Inspiring Primaries Academy Trust from the Leicestershire Local Authority for £nil consideration.

The transfers have been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Donations transferred from local authority on conversion.

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

	Unrestricted funds 31.8.17 £	Restricted funds 31.8.17 £	Restricted fixed asset fund 31.8.17 £	31.8.17 Total funds £
Tangible fixed assets				
- Long leasehold land and buildings	-	-	3,701,100	3,701,100
- Other tangible fixed assets	-	-	157,362	157,362
Budget surpluses on LA funds	282,415	-	-	282,415
LGPS pension surplus/(deficit)	-	(1,642,000)	-	(1,642,000)
Total market value of net assets	282,415	(1,642,000)	3,858,462	2,498,877