

Company Registration No. 09692208 (England and Wales)

INSPIRED LEARNING MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2019

INSPIRED LEARNING MULTI ACADEMY TRUST

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INSPIRED LEARNING MULTI ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Mr J Lee
Mrs J Stark
Mr M Osbourne
Mr P Collier

Trustees

Mr S Barrett
Mr D Cubiss (Resigned 19 March 2019)
Mrs C Walker
Mrs L Kendall
Mr S Knagg (Chair)
Mrs J Pierce
Mrs C Vernon
Mrs J Ridyard
Mr J Burgess

Senior management team

- Headteacher - Yarlside Academy	Mrs J Pierce
- Headteacher - Parkside GGI Academy	Mrs C Walker
- Headteacher - Victoria Academy	Mrs C Vernon

Company secretary

Mrs A Whittle

Company registration number

09692208 (England and Wales)

Registered office

Yarlside Primary School
Red Oak Avenue
Barrow in Furness
Cumbria
LA13 0LH

Academies operated

Yarlside Academy
Parkside GGI Academy
Victoria Academy

Location

Barrow-in-Furness
Barrow-in-Furness
Barrow-in-Furness

Principal

Mrs Janine Pierce
Mrs Caroline Walker
Mrs Caroline Vernon

Independent auditor

JL Winder & Co
125 Ramsden Square
Barrow in Furness
Cumbria
LA14 1XA

Bankers

Lloyds Bank
11 Finkle Street
KENDAL
Cumbria
LA9 4AG

INSPIRED LEARNING MULTI ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

The trustees present their annual report together with the accounts and independent auditor's reports of the charitable company for the period 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

Inspired Learning Multi Academy Trust operates 3 schools: Parkside GGI Academy, Infant and Nursery, Victoria Academy, Junior, and Yarlside Academy, primary, with catchment areas in Barrow-in-Furness. Parkside GGI and Victoria Academies are in areas of deprivation.

The Trust has an individual capacity of Parkside GGI Academy 162 full time, 52 part time and 60 part time pre-school, Victoria Academy 220 full time, and Yarlside Academy 203 full time and 52 part time. In the May 2019 census actual numbers on roll were Parkside 149 full time and 50 part time plus 35 part time pre-school, Victoria 196 full time and Yarlside 217 full time and 30 part time.

Structure, governance and management

Constitution

The multi academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the multi academy trust.

The trustees of Inspired Learning Multi Academy Trust are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10.00, for the debts and liabilities contracted before they ceased to be a member.

Trustees' indemnities

Subject to the provisions of the Companies Act 2006 s236 every Trustee or other officer or auditor of Inspired Learning Multi Academy Trust shall be indemnified out of the assets of the Multi Academy Trust against any liability incurred by him in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which he is acquitted, or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Multi Academy Trust.

Method of recruitment and appointment or election of trustees

The initial Trustees of the Multi Academy Trust were nominated by the Governing Bodies of the predecessor schools, Greengate Infant and Nursery, Victoria Junior and Yarlside Nursery and Primary.

Members may appoint by ordinary resolution up to 15 Trustees (Article 50). There are 3 representatives from each local governing body on the board of directors. If a vacancy should arise, the relevant local governing body will put forward a nominee. The Members will decide whether to approve or reject that nominee by way of a simple majority vote.

INSPIRED LEARNING MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Policies and procedures adopted for the induction and training of trustees

During the year of 2018 – 2019 the Trustees held 5 meetings.

The Trustees had all served as experienced Governors prior to converting to an Academy from 1st September, 2015 and had undergone induction and on-going training in order to fulfil their role at their respective schools. All governors regularly attend training provided by the local authority, Teaching Schools and through subscription of Modern Governor.

Newly appointed Trustees will receive an introduction to their role from the Chair of the Trustees and the Chief Executive. Included in the induction would be the opportunity to visit each of the Multi Academy Trust's academies and to meet other members of the Senior Leadership Team, staff and pupils. The training and induction would be dependent upon experience and training opportunities would be provided to enable the new Trustee to undertake their role effectively. Copies of relevant policies, procedures, Minutes of previous meetings, financial reports, budget plans and other relevant documentation would be provided.

Organisational structure

Inspired Learning Multi Academy Trust operates on three levels: the Members; Trustees and the Local Governing Bodies of each Academy within it. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Members have overall responsibility and ultimate decision making authority for the Trust including the establishment and running of the Academies. The Trustees retain overall responsibility for strategic planning and setting the Company's policy as well as responsibility for all matters relating to school finance and personnel matters.

The Trustees have the power to direct change when required. The responsibility for holding the school leaders to account and driving forward improvements in performance, attainment and progress is delegated to the Local Governing Body of each respective Academy, subject to the Company's Scheme of Delegation.

The Trustees are responsible for ensuring that Governing Bodies fulfil their statutory obligations in a manner which allows the Academies to fulfil its aims. This will include making sure procedures are in place to ensure regularity, propriety and value for money, setting general policy, adopting a Trust Improvement Plan and budget. This will be monitored by use of management accounts plus internal controls carried out by external provider. This will enable Trustees to make major decisions about the direction of the Company, capital expenditure, Headteacher and deputy Headteacher appointments.

The Governors are responsible for adopting an annual School Improvement Plan and budget, implementing policies laid down by the Trustees, Chief Executive Headteacher and Chair of Local Governing Bodies. The Headteacher of each Academy will report to the Directors at each meeting on the outcomes of work in their School.

Arrangements for setting pay and remuneration of key management personnel

The Scheme of Delegation states that the Setting of Pay and Remuneration of Key Management Personnel is delegated to the Resource Committee of the Local Governing Bodies, with the exception of the Trust Business Manager whose pay and remuneration is determined by the Board of Trustees.

Trade Union Facility Time

There are no trade union representatives so no time is allocated.

INSPIRED LEARNING MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Related parties and other connected charities and organisations

The Trust is currently made up of three academies and works in partnership with the following organisations: Cumbria Alliance of System Leaders (CASL), Local Alliance of System Leaders (LASL – South), Barrow Primary Collaborative, Yarlside Teaching School Alliance (YTSA), Furness Education Consortium, (FEC), Furness Primary Collaborative (FPC) and Furness Education and Skills Partnership (FESP), Whole Education and Prince's Trust Step Up to Serve Campaign.

Objectives and activities

Objects and aims

Inspired Learning Multi Academy Trust embodies a family of academies whose aim is to ensure high aspiration, outstanding achievement and lifelong learning skills for all of our pupils.

Underlying the principal objective are a number of other objectives which assist Academy staff in fulfilling the principal objective. These are as follows:

- **Innovative leadership** - which is forward thinking, ensures clear purpose and direction and effectively brings about change through drive, determination and courage
- **Excellence in partnership** – which ensures our children, staff and Academy communities benefit from strengths and excellence within each partnership school
- **Consistently effective, high quality teaching** - which promotes inquisitive, challenging and progressive learning, ensuring high standards and excellent educational outcomes for all learners
- **Inclusive learning** – which includes and develops each individual pupil and provides equal opportunities for all
- **Stimulating, well designed and imaginative curricula** – which is rooted in rigorous teaching of basic skills whilst ambitiously widening children's horizons and experiences
- **Exciting, engaging and active learning environments** - which inspire curiosity, persistence, creativity and collaboration within and beyond the classroom
- **Collaborative community links** - which ensure participation, liaison and resource sharing and maximise links with other sectors E.g. local business to develop the skills and experiences our children will need for economic stability into adulthood.

Objectives, strategies and activities

- **Standards and Achievement:** All academy outcomes to be above floor standards and aim to be in line with, or exceeding national standards and to identify key areas to raise standards in each individual school
- **Teaching and Learning:** Teaching and Learning is at least consistently good or outstanding across the Trust
- **Policies and Procedures for Leadership and Management:** all policies and procedures are in place to ensure that all statutory requirements are met and actions from audits are completed successfully
- **Expansion Growth and Marketing:** We were approved by the DfE to be a sponsorship trust from Summer 2016. Negotiations to merge Inspired Learning MAT with Furness Academies Trust began in Summer 2018. A formal resolution to merge was passed at the Trust Board meeting on 4th December, 2018 to become Furness Education Trust with effect from 1st September, 2019.
- **Funding and Finance:** All financial procedures, systems and structures are being adhered to across the Trust
- **HR Strategies Employment and Training:** all HR procedures and policies in place and adhered to across the Trust
- **Governance:** create consistency and competency in all levels of governance across the Trust
- **Health & Safety and Safeguarding:** Regulations, policies and procedures are consistently followed across the Trust to ensure compliance with all statutory requirements

INSPIRED LEARNING MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Public benefit

The trustees have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

Across the Multi Academy Trust school premises are used for numerous activities. Parenting classes are held at Parkside GGI and Victoria Academies.

All three premises are hired out to local community groups, for various activities, which benefits both the immediate local community and the wider community within the Barrow-in-Furness vicinity.

Parkside GGI and Yarlside Academies are also used as polling stations for government elections.

Achievements and performance

Inspired Learning Multi Academy Trust has three schools which all performed above the National Floor Targets that were set by the Dfe. The Ofsted judgement for each school is:
Parkside GGI – Good, Victoria – Good, Yarlside – Outstanding.

INSPIRED LEARNING MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Key performance indicators

Parkside Academy

EYFS - GLD	School		National	
	80		71.8%	
Phonic Screening	School		National	
	95		82	
KS1	Expected or above		Greater Depth	
	School	National	School	National
Reading	80	75	30	25
Writing	73	69	23	15
Maths	77	76	27	22

Victoria Academy

KS2	Expected or above		High	
	School	National	School	National
Reading	87	73	42	27
Writing	87	78	37	20
GPS	87	78	42	36
Maths	92	79	29	27
Reading, Writing, Maths	87	65	13	13

Yarlside Academy

EYFS - GLD	School		National	
	83		71.8%	
Phonic Screening	School		National	
	100		82	
KS1	Expected or above		Greater Depth	
	School	National	School	National
Reading	83	75	33	25
Writing	83	69	23	15
Maths	87	76	30	22
KS2	Expected or above		High	
	School	National	School	National
Reading	97	73	59	27
Writing	100	78	38	20
GPS	100	78	81	36
Maths	100	79	72	27
Reading, Writing, Maths	97	65	35	13

INSPIRED LEARNING MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Going concern

From 1st September 2019 Inspired Learning Multi Academy will merge with Furness Academies Trust to form Furness Education Trust. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial review

The majority of the Multi Academy Trust's income is obtained for the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The GAG received during the period covered by this report and the associated expenditure are shown as restricted funds in the Statement of Financial Activities. Details of all grants and income received can be found in Notes to the Financial Statements. All of the expenditure in the Statement of Financial Activities is in furtherance of the Trust's objectives.

During the period ending 31st August, 2019 expenditure amounting to £3,519,094 was incurred or accrued. This was offset entirely by grants received from the EFA, Local authority grants and other funds.

In addition to the Devolved Formula Capita Grants (DFC) Condition Improvement Funding (CIF) was awarded to all 3 academies:

Parkside for renewal of Flat Roof Coverings
Victoria for Site Security and Safeguarding
Yarlside for Replacement of Boiler Plant and Hot Water provision.

Reserves policy

The Trustees will review the level of Reserves. The aim of the Investment and Reserves Policy is to spend the public monies with which it is entrusted for the direct educational benefit of pupils. The Local Governing Bodies of each academy require reserves to be created to fund future expenditure relating the Academy Development Plan's strategic long-term aims and developments. The aim is to invest funds not immediately required to maximise income, but without risk.

The Trust had unrestricted reserves of £8,092 at the 31st August 2019. The restricted general fund reserves totalled £577,695 and the fixed asset fund £5,321,579.

The LGPS pension reserve shows a deficit for the three academies of £1,807,000 at the year end. This is a problem all schools are facing and the Trust is making the required deficit contribution each year.

The disclosure of funds in deficit is also included in the Funds Note in the financial statements.

Investment policy and powers

Inspired Learning Multi Academy Trust's investment powers are governed by the Academy Articles of Association which allows funds of the Trust not immediately required to be invested, only after obtaining advice from a financial expert. Trustees approved an Investment and Reserves policy in November 2015. As of 31st August, 2019 no investments have been made.

Principal risks and uncertainties

The Trust has compiled Risk Registers and Business Continuity Plans for the Trust and each Academy which are regularly monitored and reviewed annually by the Trustees.

INSPIRED LEARNING MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Inspired Learning Multi Academy Trust is subject to a number of risks and uncertainties in common with other Academies. The Trustees recognise that the principal risks and uncertainties are centred on the changes in the levels of funding from the DfE, ESFA and Local Authority. The Local Government Pension Scheme deficit represents a significant liability. The Trustees consider the individual academies are able to meet their liabilities in respect of paying the annual contributions for the foreseeable future.

Plans for future periods

From 1st September 2019 the 3 academies in the trust will join the Furness Education Trust. Our Primary focus across the Trust for 2019/2020 is to ensure our pupils make good or better progress and attain in line or exceeding national expectations at all Key Stages. Other targets we have set include:

- Design a knowledge led curriculum across the Trust
- Maximising efficiency of staff for the benefit of children across the Trust
- Increase pupil numbers through a focused marketing strategy and further engagement with parents and the wider community
- Continue the expansion of age range at Parkside Academy
- Seek community/national funding to improve school sporting facilities and the effectiveness of outdoor learning areas at Victoria Academy
- Development of the IT infrastructure and communication systems
- To optimise the resource of the new Central Services to improve efficiency

Funds held as custodian trustee on behalf of others

The Trust holds funds as custodian trustee of the 'School fund' for the 3 academies within the trust. The value at 31st August 2019 was £18,668.

Auditor

In so far as the trustees are aware:

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

A resolution proposing that JL Winder & Co be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 31.12.2019 and signed on its behalf by:



Mr S Knagg
Chair

INSPIRED LEARNING MULTI ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2019

Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Inspired Learning Multi 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 principal, 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 Inspired Learning Multi Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
Mr S Barrett	4	5
Mr D Cubiss (Resigned 19 March 2019)	2	3
Mrs C Walker	4	5
Mrs L Kendall	5	5
Mr S Knagg (Chair)	4	5
Mrs J Pierce	5	5
Mrs C Vernon	3	5
Mrs J Ridyard	4	5
Mr J Burgess	3	5

The Governance Review was carried out as part of the FMGS process.

- Governor skills were matched to Trust Development Priorities
- Terms of Reference, Committees and Minutes were standardised across the Trust

Self-evaluation of Governance took place during Spring 2018. Relevant training and support has been provided for Trustees and members of Local Governing Bodies.

The Finance/Audit Committee is a sub-committee of the main board of Trustees. Its purpose is to:

- Investigate any activity within its terms of reference or specifically delegated to it by the Board
- Request any information it requires from any employee, external audit, internal audit or other assurance provider
- Maintain oversight of the Academy Trust's governance, risk management, internal control and value for money framework. It will report its findings annually to the Board and Accounting Officer as a critical element of the Trust's annual reporting requirements

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Mr S Barrett	2	3
Mr S Knagg (Chair)	3	3
Mr J Burgess	3	3

INSPIRED LEARNING MULTI ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Review of value for money

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

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

- Appointment of key roles to work across the Trust (Trust Business Manager, Health & Safety Administrator, School Administrator Apprentice and IT Technician.
- Best value has been achieved by purchasing across the Trust for Service Level Agreements including Health & Safety, CPD, IT support, IT programs and licences. The Financial Policy and Procedures Manual sets out the systems to follow.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks 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 Inspired Learning Multi Academy Trust for the period 1st September 2018 to 31st August 2019 and up to the date of approval of the Annual Report and Accounts

Capacity to handle risk

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

This process will be regularly reviewed by the Board of Trustees through the Finance and Audit Sub-Committee

The risk and control framework

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

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

INSPIRED LEARNING MULTI ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The board of trustees has considered the need for a specific internal audit function and has decided:

- not to appoint an internal auditor. However the trustees have appointed JL Winder & Co, Chartered Accountants, the external auditor, to perform additional checks

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

- Review that bank reconciliations have been carried out each month and check that these have been correctly prepared
- Review of monthly payroll to ensure that any changes have been appropriately authorised and agreed (refer to Finance, Personnel Committee and SLT minutes of local governing body)
- Check sample orders to delivery notes and invoices to ensure that the documentation is complete and has been appropriately checked and authorised
- Check of sample payments back to invoices, orders and delivery notes to confirm they are bona fide purchases
- Review a sample of expense claims to ensure the appropriate documentation to support the claim and that the claim is appropriately authorised
- Review returns to the EFA to ensure the information supplied is consistent with the underlying records and internal management reports
- Carry out spot checks of petty cash balances and supporting vouchers
- Review all major contracts and ensure formal tender procedures exist and are being followed.
- Check sample income has been appropriately receipted.
- Check that cash received into school office is reconciled on a weekly basis.

On a termly basis, a report is provided for the board of trustees on the operation of the systems of control.

Review of effectiveness

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

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

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

Approved by order of the board of trustees on 3.12.19 and signed on its behalf by:



Mr S Knagg
Chair

INSPIRED LEARNING MULTI ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2019

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

I confirm that I and the multi academy trust's board of trustees are able to identify any material irregular or improper use of funds by the multi academy trust, or material non-compliance with the terms and conditions of funding under the multi academy trust's funding agreement and the Academies Financial Handbook 2018.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA.



Mrs J Pierce
Accounting Officer

...03/12/19...

INSPIRED LEARNING MULTI ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2019

The trustees (who are also the directors of Inspired Learning Multi Academy Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2018 to 2019 published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the trustees are required to:

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

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

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

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

Approved by order of the members of the board of trustees on 3.12.2019 and signed on its behalf by:



Mr S Knagg
Chair

INSPIRED LEARNING MULTI ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INSPIRED LEARNING MULTI ACADEMY TRUST

Opinion

We have audited the accounts of Inspired Learning Multi Academy Trust for the year ended 31 August 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019.

Basis for opinion

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

Conclusions relating to going concern

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 accounts is not appropriate; or
- the trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the multi 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 accounts are authorised for issue.

Other information

The trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

INSPIRED LEARNING MULTI ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INSPIRED LEARNING MULTI ACADEMY TRUST (CONTINUED)

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

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

INSPIRED LEARNING MULTI ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INSPIRED LEARNING MULTI ACADEMY TRUST (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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

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

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



Sarah Roberts BSc FCA (Senior Statutory Auditor)
for and on behalf of JL Winder & Co

.....12/12/19.....

Chartered Accountants
Statutory Auditor

125 Ramsden Square
Barrow in Furness
Cumbria
LA14 1XA

INSPIRED LEARNING MULTI ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO INSPIRED LEARNING MULTI ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2019

In accordance with the terms of our engagement letter dated 11 November 2019 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Inspired Learning Multi Academy Trust during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Inspired Learning Multi Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Inspired Learning Multi Academy Trust's funding agreement with the Secretary of State for Education dated 27th August 2015 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by the EFA. 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 multi academy trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- reviewing the objectives and activities of the Academy with reference to the income streams and other information available to us as auditors of the academy.
- testing of a sample of grants received and other income streams.
- testing a sample of payments to suppliers and other third parties.
- reconciling the gross payroll figure to that disclosed in the accounts.
- evaluating the internal control procedures and reporting times, and testing as appropriate.
- reviewing the minutes of meetings of the governing body, making appropriate enquiries of the head teacher and finance administrator relevant to our consideration of regulations.

INSPIRED LEARNING MULTI ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2019

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

JL Winder & Co

Reporting Accountant

JL Winder & Co
125 Ramsden Square
Barrow in Furness
Cumbria
LA14 1XA

Dated:12/12/19....

INSPIRED LEARNING MULTI ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2019 £	Total 2018 £
Income and endowments from:						
Donations and capital grants	3	1,652	3,350	219,062	224,064	12,633
Charitable activities:						
- Funding for educational operations	4	39,358	3,043,254	-	3,082,612	2,924,104
Other trading activities	5	208,809	183,311	-	392,120	386,352
Investments	6	425	-	-	425	360
Total		<u>250,244</u>	<u>3,229,915</u>	<u>219,062</u>	<u>3,699,221</u>	<u>3,323,449</u>
Expenditure on:						
Raising funds	7	7,782	-	-	7,782	11,909
Charitable activities:						
- Educational operations	9	265,227	3,117,338	128,747	3,511,312	3,543,516
Total	7	<u>273,009</u>	<u>3,117,338</u>	<u>128,747</u>	<u>3,519,094</u>	<u>3,555,425</u>
Net income/(expenditure)		(22,765)	112,577	90,315	180,127	(231,976)
Transfers between funds	20	40,966	(190,960)	149,994	-	-
Other recognised gains/(losses)						
Actuarial (losses)/gains on defined benefit pension schemes	22	-	(585,000)	-	(585,000)	227,000
Net movement in funds		18,201	(663,383)	240,309	(404,873)	(4,976)
Reconciliation of funds						
Total funds brought forward		(10,109)	(565,922)	5,081,270	4,505,239	4,510,214
Total funds carried forward		<u>8,092</u>	<u>(1,229,305)</u>	<u>5,321,579</u>	<u>4,100,366</u>	<u>4,505,238</u>

INSPIRED LEARNING MULTI ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

Comparative year information Year ended 31 August 2018	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total 2018 £
Income and endowments from:					
Donations and capital grants	3	8,906	-	3,727	12,633
Charitable activities:					
- Funding for educational operations	4	47,595	2,876,509	-	2,924,104
Other trading activities	5	175,498	210,854	-	386,352
Investments	6	360	-	-	360
Total		<u>232,359</u>	<u>3,087,363</u>	<u>3,727</u>	<u>3,323,449</u>
Expenditure on:					
Raising funds	7	11,909	-	-	11,909
Charitable activities:					
- Educational operations	9	233,635	3,168,278	141,603	3,543,516
Total	7	<u>245,544</u>	<u>3,168,278</u>	<u>141,603</u>	<u>3,555,425</u>
Net expenditure		(13,185)	(80,915)	(137,876)	(231,976)
Transfers between funds	20	-	(12,519)	12,519	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	22	-	227,000	-	227,000
Net movement in funds		(13,185)	133,566	(125,357)	(4,976)
Reconciliation of funds					
Total funds brought forward		3,076	(699,489)	5,206,627	4,510,214
Total funds carried forward		<u>(10,109)</u>	<u>(565,923)</u>	<u>5,081,270</u>	<u>4,505,238</u>

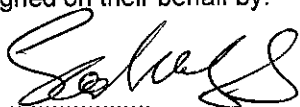
INSPIRED LEARNING MULTI ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2019

	Notes	2019		2018	
		£	£	£	£
Fixed assets					
Tangible assets	13		5,329,720		5,081,270
Current assets					
Stocks	15	15,877		11,306	
Debtors	16	237,640		174,322	
Cash at bank and in hand		809,994		599,307	
			<u>1,063,511</u>		<u>784,935</u>
Current liabilities					
Creditors: amounts falling due within one year	17	(477,724)		(330,967)	
Net current assets			<u>585,787</u>		<u>453,968</u>
Total assets less current liabilities			<u>5,915,507</u>		<u>5,535,238</u>
Creditors: amounts falling due after more than one year	18		(8,141)		-
Net assets before defined benefit pension scheme liability			<u>5,907,366</u>		<u>5,535,238</u>
Defined benefit pension scheme liability	22		(1,807,000)		(1,030,000)
Total net assets			<u><u>4,100,366</u></u>		<u><u>4,505,238</u></u>
Funds of the multi academy trust:					
Restricted funds	20				
- Fixed asset funds			5,321,579		5,081,270
- Restricted income funds			577,695		464,077
- Pension reserve			(1,807,000)		(1,030,000)
Total restricted funds			<u>4,092,274</u>		<u>4,515,347</u>
Unrestricted income funds	20		8,092		(10,109)
Total funds			<u><u>4,100,366</u></u>		<u><u>4,505,238</u></u>

The accounts on pages 19 to 44 were approved by the trustees and authorised for issue on 3.12.2019 and are signed on their behalf by:



Mr S Knagg
Chair

Company Number 09692208

INSPIRED LEARNING MULTI ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Net cash provided by/(used in) operating activities	23		360,256		(87,878)
Cash flows from investing activities					
Dividends, interest and rents from investments		425		360	
Capital grants from DfE Group		199,527		-	
Capital funding received from sponsors and others		19,535		3,727	
Purchase of tangible fixed assets		(377,197)		(19,973)	
Net cash used in investing activities			(157,710)		(15,886)
Cash flows from financing activities					
Repayment of long term bank loan		8,141		-	
Net cash provided by/(used in) financing activities			8,141		-
Net increase/(decrease) in cash and cash equivalents in the reporting period			210,687		(103,764)
Cash and cash equivalents at beginning of the year			599,307		703,071
Cash and cash equivalents at end of the year			<u>809,994</u>		<u>599,307</u>

INSPIRED LEARNING MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

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

1.1 Basis of preparation

The accounts of the multi academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The Inspired Learning Multi Academy Trust ceased on 31st August 2019 and transferred into a new multi academy trust, Furness Education Trust.

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 charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts and have concluded that the multi academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the multi academy trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Income

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

Grants

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

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income

Sponsorship income provided to the multi academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

INSPIRED LEARNING MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

Donations

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

Other income

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

Donated goods, facilities and services

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

Donated fixed assets

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 multi academy trust's accounting policies.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the multi academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

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

INSPIRED LEARNING MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

1.5 Tangible fixed assets and depreciation

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

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

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

Land and buildings	2% straight line on buildings, no depreciation on land
Fixtures, fittings & equipment	15%/33% straight line
Motor vehicles	20% 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.

1.6 Liabilities

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

1.7 Leased assets

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.8 Financial instruments

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

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

INSPIRED LEARNING MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

1.9 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

1.10 Taxation

The multi academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the multi academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

1.11 Pensions benefits

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

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

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

1.12 Fund accounting

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

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

INSPIRED LEARNING MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

This year the figures have been adjusted to take into account the potential impact of the McCloud judgement. By adjusting for this the figures this year include an additional cost for past service liabilities of £103,000 and an additional projected service cost of £20,000 for the year commencing 1st September 2019. These figures are based on an assumed future real pay growth of 1.5% per annum above CPI.

Critical areas of judgement

The trustees must establish the areas of judgement which are most critical to the academy's financial statements and disclose the particulars of those judgements.

Currently there are no critical judgements to disclose, other than those mentioned above.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Capital grants	-	199,527	199,527	-
Other donations	1,652	22,885	24,537	12,633
	<u>1,652</u>	<u>222,412</u>	<u>224,064</u>	<u>12,633</u>

INSPIRED LEARNING MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

4 Funding for the multi academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
DfE / ESFA grants				
General annual grant (GAG)	-	2,289,159	2,289,159	2,168,930
Other DfE group grants	-	280,816	280,816	264,407
	<u>-</u>	<u>2,569,975</u>	<u>2,569,975</u>	<u>2,433,337</u>
Other government grants				
Local authority grants	-	473,279	473,279	443,172
	<u>-</u>	<u>473,279</u>	<u>473,279</u>	<u>443,172</u>
Other funding				
Other incoming resources	39,358	-	39,358	47,595
	<u>39,358</u>	<u>-</u>	<u>39,358</u>	<u>47,595</u>
Total funding	<u>39,358</u>	<u>3,043,254</u>	<u>3,082,612</u>	<u>2,924,104</u>

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Hire of facilities	12,224	-	12,224	7,692
Catering income	95,143	69,702	164,845	156,344
Music tuition	2,116	-	2,116	2,604
Parental contributions	89,539	56,487	146,026	120,546
Other income (contns by other organisations)	-	41,810	41,810	85,707
Other income - sale of uniform and other items	9,787	15,312	25,099	13,459
	<u>208,809</u>	<u>183,311</u>	<u>392,120</u>	<u>386,352</u>

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Short term deposits	425	-	425	360
	<u>425</u>	<u>-</u>	<u>425</u>	<u>360</u>

INSPIRED LEARNING MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

7 Expenditure

	Staff costs	Non Pay Expenditure		Total	Total
	£	Premises	Other	2019	2018
	£	£	£	£	£
Expenditure on raising funds					
- Direct costs	-	-	7,782	7,782	11,909
Academy's educational operations					
- Direct costs	1,995,413	-	225,303	2,220,716	2,222,615
- Allocated support costs	656,138	329,331	305,127	1,290,596	1,320,901
	<u>2,651,551</u>	<u>329,331</u>	<u>538,212</u>	<u>3,519,094</u>	<u>3,555,425</u>

Net income/(expenditure) for the year includes:	2019	2018
	£	£
Fees payable to auditor for:		
- Audit	8,000	7,900
- Other services	6,450	7,250
Operating lease rentals	1,616	6,765
Depreciation of tangible fixed assets	128,747	141,603
Net interest on defined benefit pension liability	31,000	31,000
	<u>175,813</u>	<u>194,518</u>

8 Central services

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

- human resources;
- financial services;
- legal services;
- educational support services;
- computer software and technical support services

The multi academy trust charges for these services on the following basis:

- 6% flat percentage of GAG income (5% in 2018) plus 1/3 LGPS lump sum. Yarlside and Parkside also contributed 6% of 3 and 4 year old funding

The amounts charged during the year were as follows:	2019	2018
	£	£
Yarlside Academy	72,480	40,480
Parkside GGI Academy	66,764	28,315
Victoria Academy	65,632	39,217
	<u>204,876</u>	<u>108,012</u>

INSPIRED LEARNING MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

9 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Direct costs				
Educational operations	95,669	2,125,047	2,220,716	2,222,615
Support costs				
Educational operations	169,558	1,121,038	1,290,596	1,320,901
	<u>265,227</u>	<u>3,246,085</u>	<u>3,511,312</u>	<u>3,543,516</u>

	2019 £	2018 £
Analysis of support costs		
Support staff costs	658,219	564,934
Depreciation	128,747	141,603
Technology costs	34,461	31,584
Premises costs	200,584	316,223
Other support costs	213,092	218,222
Governance costs	55,493	48,335
	<u>1,290,596</u>	<u>1,320,901</u>

10 Staff costs

	2019 £	2018 £
Wages and salaries	2,013,208	1,946,953
Social security costs	138,854	148,470
Other pension costs	499,489	413,786
	<u>2,651,551</u>	<u>2,509,209</u>
Staff development and other staff costs	33,577	37,455
	<u>2,685,128</u>	<u>2,546,664</u>

Staff numbers

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

	2019 Number	2018 Number
Teachers	31	31
Administration and support	75	79
Management	3	3
	<u>109</u>	<u>113</u>

INSPIRED LEARNING MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

10 Staff costs

(Continued)

Higher paid staff

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

	2019 Number	2018 Number
£60,000 - £69,999	-	1
£70,000 - £79,999	3	2
	<u> </u>	<u> </u>

Key management personnel

The key management personnel of the multi academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the multi academy trust was £37,934

11 Trustees' remuneration and expenses

One or more of the trustees has been paid remuneration or has received other benefits from an employment with the multi academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their services as trustees. Other trustees did not receive any payments, or expenses, from the multi academy trust in respect of their role as trustees.

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

Mrs Janine Pierce (Headteacher - Yarlside Academy):

- Remuneration £75,000 - £80,000
- Employer's pension contributions £10,000 - £15,000

Mrs Caroline Vernon (Headteacher - Victoria Academy):

- Remuneration £75,000 - £80,000
- Employer's pension contributions £10,000 - £15,000

Mrs Caroline Walker (Headteacher - Parkside GGI Academy):

- Remuneration £70,000 - £75,000
- Employer's pension contributions £10,000 - £15,000

During the year, travel and subsistence payments totalling £Nil were reimbursed or paid directly to the trustees

Other related party transactions involving the trustees are set out within the related parties note.

12 Trustees and officers insurance

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

INSPIRED LEARNING MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

13 Tangible fixed assets

	Long leasehold Land and buildings £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost				
At 1 September 2018	5,241,000	191,300	44,000	5,476,300
Additions	350,748	26,449	-	377,197
At 31 August 2019	5,591,748	217,749	44,000	5,853,497
Depreciation				
At 1 September 2018	278,520	99,310	17,200	395,030
Charge for the year	92,842	27,105	8,800	128,747
At 31 August 2019	371,362	126,415	26,000	523,777
Net book value				
At 31 August 2019	5,220,386	91,334	18,000	5,329,720
At 31 August 2018	4,962,480	91,990	26,800	5,081,270

14 Financial instruments

	2019 £	2018 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	73,862	48,105
Carrying amount of financial liabilities		
Measured at amortised cost	99,373	119,364

15 Stocks

	2019 £	2018 £
School uniform	15,877	11,306

16 Debtors

	2019 £	2018 £
Trade debtors	153,862	73,862
VAT recoverable	48,896	38,997
Other debtors	-	1,089
Prepayments and accrued income	34,882	60,374
	237,640	174,322

INSPIRED LEARNING MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

17 Creditors: amounts falling due within one year	2019 £	2018 £
Trade creditors	146,931	99,373
Other taxation and social security	41,392	39,312
Other creditors	39,404	37,698
Accruals and deferred income	249,997	154,584
	<u>477,724</u>	<u>330,967</u>
	<u>477,724</u>	<u>330,967</u>
18 Creditors: amounts falling due after more than one year	2019 £	2018 £
Government loans	8,141	-
	<u>8,141</u>	<u>-</u>
Analysis of loans		
Not wholly repayable within five years by instalments	8,141	-
Less: included in current liabilities	-	-
	<u>8,141</u>	<u>-</u>
Amounts included above	8,141	-
	<u>8,141</u>	<u>-</u>
Instalments not due within five years	4,070	-
	<u>4,070</u>	<u>-</u>
	<u>4,070</u>	<u>-</u>
Loan maturity		
Due in more than five years	8,141	-
	<u>8,141</u>	<u>-</u>

Included above is a SALIX loan of £8,141 which is repayable from energy efficiency savings over a 10 year period. The amount recognised in the accounts is the amount received less any repayments made.

INSPIRED LEARNING MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

19	Deferred income	2019	2018
		£	£
	Deferred income is included within:		
	Creditors due within one year	48,272	105,541
		<u> </u>	<u> </u>
	Deferred income at 1 September 2018	105,541	108,176
	Released from previous years	(105,541)	(108,176)
	Amounts deferred in the year	48,272	105,541
		<u> </u>	<u> </u>
	Deferred income at 31 August 2019	<u>48,272</u>	<u>105,541</u>

It held funds for the 2019/20 academic year from the EFA for Universal Infant Free School Meals (UIFSM) of £40,661(2018 £42,062).

In addition to this it had received SEN funding for the period 1st September 2019 to 31st March 2020 of £0 (2018 £10,486) and rates relief for the same period of £5,840 (2018 £5,441).

It held funds for child care vouchers of £852 (2018 £1,146) and lunch shop of £0 (2018 £406). At 31st August 2018 the MAT also held a £40,000 teaching school grant and £6,000 NSS Bursary for the 2018/19 school year.

INSPIRED LEARNING MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

20 Funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant	464,078	2,289,159	(2,055,561)	(165,993)	531,683
Other DfE / ESFA grants	-	280,816	(260,828)	(10,360)	9,628
Other government grants	-	473,279	(425,638)	(14,607)	33,034
Other restricted funds	-	186,661	(183,311)	-	3,350
	<u>464,078</u>	<u>3,229,915</u>	<u>(2,925,338)</u>	<u>(190,960)</u>	<u>577,695</u>
Funds excluding pensions	464,078	3,229,915	(2,925,338)	(190,960)	577,695
Pension reserve	(1,030,000)	-	(192,000)	(585,000)	(1,807,000)
	<u>(565,922)</u>	<u>3,229,915</u>	<u>(3,117,338)</u>	<u>(775,960)</u>	<u>(1,229,305)</u>
Restricted fixed asset funds					
DfE / ESFA capital grants	5,081,270	199,527	(128,747)	-	5,152,050
Capital expenditure from GAG	-	-	-	149,994	149,994
Donations from School fund	-	19,535	-	-	19,535
	<u>5,081,270</u>	<u>219,062</u>	<u>(128,747)</u>	<u>149,994</u>	<u>5,321,579</u>
Total restricted funds	<u>4,515,348</u>	<u>3,448,977</u>	<u>(3,246,085)</u>	<u>(625,966)</u>	<u>4,092,274</u>
Unrestricted funds					
General funds	(10,109)	250,244	(273,009)	40,966	8,092
	<u>(10,109)</u>	<u>250,244</u>	<u>(273,009)</u>	<u>40,966</u>	<u>8,092</u>
Total funds	<u>4,505,239</u>	<u>3,699,221</u>	<u>(3,519,094)</u>	<u>(585,000)</u>	<u>4,100,366</u>

Under the funding agreement with the Secretary of State, the multi academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2019.

INSPIRED LEARNING MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

20 Funds

(Continued)

Movements in funds - previous year

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant	431,111	2,168,930	(2,123,445)	(12,519)	464,077
Other DfE / ESFA grants	11,400	264,407	(275,807)	-	-
Other government grants	-	443,172	(443,172)	-	-
Other restricted funds	-	210,854	(210,854)	-	-
	<u>442,511</u>	<u>3,087,363</u>	<u>(3,053,278)</u>	<u>(12,519)</u>	<u>464,077</u>
Funds excluding pensions					
Pension reserve	(1,142,000)	-	(115,000)	227,000	(1,030,000)
	<u>(699,489)</u>	<u>3,087,363</u>	<u>(3,168,278)</u>	<u>214,481</u>	<u>(565,923)</u>
Restricted fixed asset funds					
DfE / ESFA capital grants	5,113,085	-	(117,713)	-	4,995,372
Capital expenditure from GAG	81,975	-	(21,633)	12,519	72,861
Private sector capital sponsorship	11,567	3,727	(2,257)	-	13,037
	<u>5,206,627</u>	<u>3,727</u>	<u>(141,603)</u>	<u>12,519</u>	<u>5,081,270</u>
Total restricted funds	<u>4,507,138</u>	<u>3,091,090</u>	<u>(3,309,881)</u>	<u>227,000</u>	<u>4,515,347</u>
Unrestricted funds					
General funds	<u>3,076</u>	<u>232,359</u>	<u>(245,544)</u>	<u>-</u>	<u>(10,109)</u>
Total funds	<u>4,510,214</u>	<u>3,323,449</u>	<u>(3,555,425)</u>	<u>227,000</u>	<u>4,505,238</u>

INSPIRED LEARNING MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

20 Funds

(Continued)

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	Total £
Yarlside Academy	295,912
Parkside GGI Academy	125,240
Victoria Academy	90,367
Central services	74,268
	<hr/>
Total before fixed assets fund and pension reserve	585,787
Restricted fixed asset fund	5,321,579
Pension reserve	(1,807,000)
	<hr/>
Total funds	4,100,366
	<hr/> <hr/>

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total £
Yarlside Academy	692,742	166,963	68,027	179,187	1,106,919
Parkside GGI Academy	721,622	65,071	61,940	165,796	1,014,429
Victoria Academy	639,331	128,260	59,401	84,107	911,099
Central services	-	112,220	2,356	51,124	165,700
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	2,053,695	472,514	191,724	480,214	3,198,147
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

INSPIRED LEARNING MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

20 Funds

(Continued)

Funds analysis by academy - previous year

	Total 2018 £
Fund balances at 31 August 2018 were allocated as follows:	
Yarlside Academy	219,451
Parkside GGI Academy	163,723
Victoria Academy	39,077
Central services	31,717
	<hr/>
Total before fixed assets fund and pension reserve	453,968
Restricted fixed asset fund	5,081,270
Pension reserve	(1,030,000)
	<hr/>
Total funds	4,505,238
	<hr/> <hr/>

Total cost analysis by academy - previous year

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2018 £
Yarlside Academy	721,649	122,302	105,363	161,350	1,110,664
Parkside GGI Academy	666,500	56,659	55,444	258,597	1,037,200
Victoria Academy	636,690	118,554	80,077	131,463	966,784
Central services	3,493	98,167	-	82,514	184,174
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	2,028,332	395,682	240,884	633,924	3,298,822
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

INSPIRED LEARNING MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

21 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	5,329,720	5,329,720
Current assets	8,092	1,055,419	-	1,063,511
Creditors falling due within one year	-	(477,724)	-	(477,724)
Creditors falling due after one year	-	-	(8,141)	(8,141)
Defined benefit pension liability	-	(1,807,000)	-	(1,807,000)
Total net assets	8,092	(1,229,305)	5,321,579	4,100,366

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	5,081,270	5,081,270
Current assets	(10,109)	795,044	-	784,935
Creditors falling due within one year	-	(330,967)	-	(330,967)
Defined benefit pension liability	-	(1,030,000)	-	(1,030,000)
Total net assets	(10,109)	(565,923)	5,081,270	4,505,238

22 Pensions and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £38,590 were payable to the schemes at 31 August 2019 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

INSPIRED LEARNING MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

22 Pensions and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. 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)
- 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 year the employer contribution rate was 16.4%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to the TPS in the period amounted to £198,718

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 14.3% for employers and 5.5 to 12.5% for employees. The estimated value of employer contributions for the forthcoming year is £140,000.

An adjustment has been made this year for the potential impact of the McCloud judgement and this is detailed in note 2.

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.

INSPIRED LEARNING MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

22 Pensions and similar obligations (Continued)

Total contributions made	2019 £	2018 £
Employer's contributions	144,000	138,000
Employees' contributions	39,000	38,000
	<u>183,000</u>	<u>176,000</u>

Principal actuarial assumptions	2019 %	2018 %
Rate of increases in salaries	3.5	3.7
Rate of increase for pensions in payment	2.1	2.3
Discount rate	1.8	2.9
Inflation assumption (CPI)	2.0	2.2
	<u>2.0</u>	<u>2.2</u>

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

	2019 Years	2018 Years
Retiring today		
- Males	23.3	23.2
- Females	25.9	25.8
Retiring in 20 years		
- Males	25.6	25.5
- Females	28.6	28.5
	<u>28.6</u>	<u>28.5</u>

INSPIRED LEARNING MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

22 Pensions and similar obligations

(Continued)

Sensitivity analysis of principal assumptions used:

	2019 £	2018 £
Adjustment to discount rate	+0.1%	+0.1%
Present value of total obligation	1,726,000	975,000
Projected service cost	285,000	191,000
Projected net interest cost	31,000	27,000
Adjustment to long term salary increase	+0.1%	+0.1%
Present value of total obligation	1,826,000	1,043,000
Projected service cost	294,000	197,000
Projected net interest cost	32,000	28,000
Adjustment to life expectancy increases	+ 1 year	+ 1 year
Present value of total obligation	1,862,000	1,066,000
Projected service cost	299,000	201,000
Projected net interest cost	32,000	29,000
Adjustment to inflation	+0.1%	+0.1%
Present value of total obligation	1,891,000	1,086,000
Projected service costs	303,000	204,000
Projected net interest cost	33,000	30,000

The multi academy trust's share of the assets in the scheme

	2019 Fair value £	2018 Fair value £
Equities	647,000	521,000
Bonds	241,000	187,000
Other bonds	82,000	67,000
Cash/liquidity	62,000	63,000
Property	76,000	97,000
Other assets	232,000	134,000
	<hr/>	<hr/>
Total market value of assets	1,340,000	1,069,000
	<hr/> <hr/>	<hr/> <hr/>

INSPIRED LEARNING MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

22 Pensions and similar obligations	(Continued)	
Actual return on scheme assets - gain/(loss)	88,000	41,000
	<u>88,000</u>	<u>41,000</u>
Amounts recognised in the statement of financial activities	2019	2018
	£	£
Current service cost	202,000	222,000
Past service cost	103,000	-
Interest cost	31,000	31,000
	<u>336,000</u>	<u>253,000</u>
Total operating charge	336,000	253,000
	<u>336,000</u>	<u>253,000</u>
Changes in the present value of defined benefit obligations	2019	2018
	£	£
Obligations at 1 September 2018	2,099,000	1,994,000
Current service cost	202,000	222,000
Interest cost	61,000	50,000
Employee contributions	39,000	38,000
Actuarial loss/(gain)	643,000	(205,000)
Past service cost	103,000	-
	<u>3,147,000</u>	<u>2,099,000</u>
At 31 August 2019	3,147,000	2,099,000
	<u>3,147,000</u>	<u>2,099,000</u>
Changes in the fair value of the multi academy trust's share of scheme assets	2019	2018
	£	£
Assets at 1 September 2018	1,069,000	852,000
Interest income	30,000	19,000
Actuarial gain	58,000	22,000
Employer contributions	144,000	138,000
Employee contributions	39,000	38,000
	<u>1,340,000</u>	<u>1,069,000</u>
At 31 August 2019	1,340,000	1,069,000
	<u>1,340,000</u>	<u>1,069,000</u>

INSPIRED LEARNING MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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

	2019	2018
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	180,128	(231,977)
Adjusted for:		
Capital grants from DfE and other capital income	(219,062)	(3,727)
Investment income receivable	(425)	(360)
Defined benefit pension costs less contributions payable	161,000	84,000
Defined benefit pension scheme finance cost	31,000	31,000
Depreciation of tangible fixed assets	128,747	141,603
(Increase) in stocks	(4,571)	(1,552)
(Increase) in debtors	(63,318)	(55,889)
Increase/(decrease) in creditors	146,757	(50,976)
Net cash provided by/(used in) operating activities	<u>360,256</u>	<u>(87,878)</u>

24 Commitments under operating leases

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

	2019	2018
	£	£
Amounts due within one year	1,636	3,154
Amounts due in two and five years	4,492	3,845
	<u>6,128</u>	<u>6,999</u>

25 Related party transactions

During the year, Parkside Academy received £800 from Joan Stark Education Ltd, a company controlled by one of the members, Mrs Joan Stark, This was for consultancy work carried out by the Headteacher of Parkside, Mrs Caroline Walker.

In addition to this, Yarlside, Parkside & Yarlside Teaching School used the services of the company Joan Stark Education Limited to provide literacy courses. The amount paid during the year was £1,325.

26 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10.00 for the debts and liabilities contracted before he or she ceases to be a member.